◆ A Columbia professor tells why he rejected tenure
◆ Reviews by Gregg Easterbrook, William Broyles Jr., and Thomas J. Peters

The Washington Monthly

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SURVIVAL FOR ALL

The Alternative to Nuclear War with a Practical Plan for Total Denuclearization

by A.J. Aizenstat

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LETTERS

Ignoring the enigma

I enjoyed Steven Waldman's article, "The Man Who Would Be Speaker," in March and feel that if the article was circulated in the House, maybe the young, energetic members that he refers to would seriously consider mounting a challenge to Mr. Wright.

Waldman points out that Texas influences can be harmful on a congressman. This will probably be put to a real test in the near future as the price of oil finally pays reverence to the laws of gravity.

I can't believe, however, that such a well-thought-out piece fails to mention Ted Kennedy as a, or "the," Democratic leader. True, the article deals with House issues, but at one point Waldman mentions that when the Democrats were cornered into control of only the House in 1980, the Speaker became "the leader of the Democratic party." Ordinarily this would be true but we cannot ignore the enigma in the other chamber. I believe that when asked, "Who espouses the Democratic party's ideals? " the general public would answer, "Ted Kennedy."

ALVIN HUTCHINSON
Baltimore, Maryland

Lost in space

In your March issue ["Tilting at Windmills"] you support the outlook of columnist Fred Reed, whom you quote as saying, "As for factories in space—often given as a reason for having the shuttle—we'll never see it." On the contrary, we will indeed see a prototype "factory in space," and in just a few years. You may say (without any supporting evidence or argument) that the space industry has no future, and Congress may agree with you; but the USSR is on the point of establishing a permanently manned space station considerably more ambitious than the one we are still tentatively planning, and one of their stated aims is to develop materials processing in orbit. Nor is this mere rhetoric; for 15 years, the USSR has followed a coordinated, consistent space-development program whose aims are primarily practical rather than being mere propaganda.

By comparison, our space program has been aimless and poorly managed since Apollo. Bureaucratic blunders are largely responsible for shortcomings in the conception and design of the shuttle. To jump to the conclusion that there is no future in manned space exploration, however, is absurd. We have many studies demonstrating the immediate feasibility of obtaining mineral resources from the Moon and from asteroids. We have proved, also, the feasibility of satellites beaming power down from orbit. (The Japanese are still pursuing this plan, even though we dropped it.) Manned space capability will be indispensable for achieving these objectives 10 or 20 years from now.

When the oil runs out here on Earth, as eventually it must, and supplies of various other resources become depleted, our descendants may well find themselves buying lunar mineral ores from the Soviet Union and kilowatts from the Japanese, because in the 1980s the United States decided there was no future in the exploration of space. If this happens, journalists who expressed uninformed opinions and politicians who lacked any ability to see past the next election will have to share the blame.

CHARLES PLATT
New York, New York

Fred Reed replies:

Oh, twaddle.

The value of space for manufacturing, to the extent that it has any such value, depends critically on the cost and reliability of putting the factories into space. The cost today is about $5,000 a pound on the Shuttle. This figure is highly conservative because it ignores certain costs attendant upon the operation of the Shuttle, such as having one blow up every 25 flights. The estimated cost of a new shuttle is $2.5 billion. That will run the costs per pound to $7,000. Again, even this figure does not cover the cost of lost payloads. Notice the results of our last three launches of Shuttle, Titan, and Delta—boom, boom, boom.

This means that, to make a profit on manufacturing in space, you have to charge $7,000 per pound of product just to cover the cost of getting the raw materials into orbit—although you will of course have to pay the same $7,000 per pound of manufacturing equipment and processing materials.

Which means that it will be much cheaper to find a substitute for it than to try to make it in space. Note the enthusiastic lack of response of industry, which understands money, to the opportunity to put factories into space on the Shuttle.

And please don't tell me that the *next* Shuttle will fly cargo into space for a dollar a pound. I have never heard of a fighter plane or social program that didn't promise to cost virtually nothing. The Shuttle was sold by its proponents as guaranteed to put cargo into space for $100 per pound. Even allowing for inflation, it didn't come close.

As for the Russians, they can't make a factory work in Russia. Reckon they'll get up to Japanese standards in orbit? If you want to fund un-manned interplanetary probes, fine—that's my way of wasting money. At least we get something for it.

Birth control

I heartily approve of your idea to offer financial incentives *not* to have children ["Tilting at Windmills," March]. I would suggest, though, that such incentives be offered to all women, not just poor teenagers. Such an incentive would offer the poor what the middle class has always had, an opportunity to improve one's stan-

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dard of living by delaying childbearing and limiting family size. It would be voluntary; money could be collected as a negative income tax or as a lump sum at the end of the puerperal rainbow, to be given in whole or in part depending on the number of children the recipient has borne. It would be relatively equitable; monies collected by middle-class women would be reclaimed, in part, via taxes. It would be similar, in degree, to present tax policy which rewards those *with* dependents.

Eleanor Holmes Norton once wrote that "a primary incubator for ghetto problems is the poor, female-headed household. Stopping its proliferation would prevent a spectrum of problems." These problems encompass hunger, housing, education, employment, and crime, areas in which we have spent a small fortune without significantly improving anyone's quality of life. Offering $50,000, or even double that, to a 45-year-old woman who has opted to have only one child might be a bargain and dramatically improve lives in the process.

LUCILLE G. NATKINS
Great Neck, New York

Is Social Security insurance?

You object to Social Security being paid to "rich and poor alike," and propose that "only those who become needy would collect." As a practical matter, this is dubious public policy, destroying as it does one more strand in our common experience. More than that, if ever translated into action, this idea has a poor chance of helping the people you may want to help. The performance record is not good of many—perhaps most—programs designed solely to help the poor, whether here or in Europe.

Programs of general society-wide application have a much better chance of operating well for everybody when the middle class has a personal stake in them. The middle class knows, among other things, how to complain effectively when things go wrong. Try imagining what this administration would already have done to the poor if your concept of Social Security had been in effect.

WILLIAM M. KERRIGAN
Bethesda, Maryland

I have no problem with changing the Social Security law for those just entering the system or who have been in it for a reasonably short time. But I object strenuously to changing the system for those of us who have religiously contributed even though we thought the whole thing was a lousy idea. Some time ago I did a computation of what my entitlement would be had I put my social security deposits into a reasonably aggressive investment portfolio. I'd have come out a lot better if I had invested the money myself and I don't live too long. But I had no choice. My government made me a promise, and I expect it to fulfill it. If they make a different promise to other people that's okay with me, but let's not go about changing the rules in the middle of the game.

B.J. LUBEROFF
Summit, New Jersey

So: "The average Social Security recipient gets back his contribution plus his employer's plus interest within about three years." You forget inflation. In terms of day's worked, in terms of purchasing power, the average recipient does not get back his and his employer's contributions for many years. When I started paying Social Security tax in the thirties, a ride on the New York subway cost five cents, a first-class letter could be mailed for two cents, a good quality cotton man's shirt cost about $1.50, a suit of clothes cost about $20, a good frankfurter was five cents, but I could get a frank at Max's Busy Bee for two cents if I didn't mind a bit of grease, and so on. The reason for the quick return is indexing for inflation.

GEORGE GIBSON
Upper Montclair, N.J.

(See "Tilting at Windmills.")

Housing hardships

In "The Mortgaged Generation: Why the Young Can't Afford a House" [April], Phillip Longman's analysis of the housing market is, quite simply, cockeyed. It makes one wonder if his entire argument that the older generation is giving a raw deal to the younger is not similarly flawed.

He spends 11 pages chasing villains of the high cost of housing and never once mentions mortgage rates. He points with justified alarm to a decline in the homeownership rate of households under 35, from 41 percent in 1977 to 34 percent in 1983, but does not add that mortgage rates doubled in the interval. In the 12 months preceding the 1977 statistic, the average mortgage rate was 7.375 percent; in the comparable period for 1983 it was 14.75 percent.

The truth is the affordability crisis Longman writes about is almost purely a mortgage payment affordability crisis and its major cause is the extremely high real interest rates of the Reagan era. New house prices (for the same house) are as affordable as 20 years ago and even more affordable than in the good old days of 30 years ago. In 1985 the price of an average new single-family house was 2.6 times the average household income—$95,600 vs. $37,000. In 1965 the same house had a 2.7 multiple, $24,000 vs. $8,930. And in 1955 a median-priced smaller house was 3.1 times the median family income, $13,700 vs. $4,420. It was easy to qualify for a mortgage in those earlier years, as it wasn't in 1985, because the mortgage rate in 1955 was only 5 percent and in 1965 5.75 percent.

He writes, "Government policies aimed at providing affordable housing instead bid up the price of existing houses." He is right about the bidding up, although it applied equally to new houses as well as existing.

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From 1971 through 1980 (it stopped after that), house prices rose an average of 3 percent a year above the inflation rate. But the cause was another of the factors not mentioned in Longman's pages—the demographic trend. In the 1970s, when the baby boom came of age, we had to provide housing for 17½ million households, almost as many as in the two previous decades combined. That strained the entire housing supply system.

He engages in indiscriminate government-bashing, lumping together federal mortgage credit agencies, deregulation of savings and loans, tax-shelter handouts, zoning ordinances, building codes, and impact fees—several levels of government acting out of several different motives—as though they were one entity, government. At the same time his list of government policies that affect the cost of housing does not include the Reagan deficits or the tax-limitation climate exemplified by California's Proposition 13 (which precipitated the trend of revenue-starved municipalities socking impact fees to developers).

Longman's prescription for making housing more affordable is to direct the federally sponsored mortgage conduits like Fannie Mae and Ginnie Mae to place all, or at least more, of their investment in new rather than existing homes. Conceivably this would, over time, drive down existing-home prices from the 1985 ratio of 90 percent of new to the 84 percent that prevailed in 1968. (Comparative data is not available for earlier years.) But that would have less effect on affordability than a 1 percent decline in mortgage rates. And the chief sufferers in the period of adjustment would be first-time home buyers. Repeated studies have found that 80 percent of them buy existing homes.

To the extent there is an affordability problem apart from mortgage rates, it will fade out unassisted in a few years as the demographic trends that brought it on wind down.

SAUL SHIEFMAN
Detroit, Michigan

Phillip Longman replies:

Mr. Shiefman is correct in identifying high financing costs as a large cause of the decline in home ownership rates among the young. As I noted on p. 16 of the article, during the 1970s, financing costs rose faster than any other component in the cost of new housing, including the cost of land. But high interest rates weren't the only problem. Since 1972, for example, the real after-tax income of households headed by a person 25-34 has dropped by approximately 20 percent. Meanwhile, as Mr. Shiefman notes, house prices have been outpacing the general rate of inflation. In the article, I attempted to show how government actions contributed to both trends.

Overpriced overhead

Charles Peters, of all people, shouldn't believe everything he reads ("Tilting at Windmills," March). He mentions a report by the Inspector General of the Department of Health and Human Services (DHHS) which accuses universities of siphoning off "hundreds of millions of dollars awarded for scientific research" for "unrelated expenses"; then he goes on to say that he doesn't know what these expenses are because no one would ever tell him what "administrative overhead" was. Maybe if he knew, he wouldn't be outraged.

Those dollars pay for costs universities incur *because* they do research—many of them for the public good, or because the government demands that universities monitor the expenditure of tax dollars so closely. Universities pay the salaries of people who safeguard the rights of human subjects, who monitor the care and use of animals in research, who maintain adequate health and safety procedures and practices, and who ensure that staff hired to assist in the research are hired fairly and treated equitably on the job. They also pay the salaries of people who are in place primarily to satisfy the government's own demands for endless, and often meaningless, reports of how the money is spent, what equipment is where, or how many hours the faculty spent doing research last year.

If these are the "unrelated costs" the DHHS report is talking about, the only costs truly unrelated to research are those imposed on universities by the government itself. If there's an outrage here, it's the government's continuing attempts to pay less than the whole cost of the federally sponsored research being done at universities. Since people won't take the time to find out what "administrative overhead" really is, it's a moving target for the budget axe—and Charles Peters's pen.

ALICE OLIVER
New Haven, Connecticut

Ms. Oliver is associate director of Yale University's Office of Grant and Contract Administration.

I saw Horowitz

The snobbery you deplore ("Tilting at Windmills," March) seems far less corrosive than the snobbery you embody in the same section of the column. When you demand "pure" motives be exhibited for one to gain admittance to experiences known, *prima facie*, to be worthwhile and enriching, you betray a detestable form of elitism.

Art *does* transcend the petty mundaneness of our lives—even the motives of both the snobbery you hate and the snobbery you love. If we are willing to accept that transcendence, then we should hold as irrelevant the motives or attitudes of those who are thrust (or thrust themselves) before it. This is one instance where quantity is the only criterion: the more people who experience it, the better. I applaud "those 200 freezing souls" who waited for the opening of The Treasure Houses of Britain, and I care not a whit about their aesthetic credentials; would that there were 2,000.

I recall eight years ago—nearly to this month—standing in a blocks-long line in late winter for the opportunity to buy two precious tickets to a rare Sunday

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concert in Washington by Vladimir Horowitz. The wind was brisk and cold; the line moved imperceptibly. Who knows how many of us were motivated by the lure of the name, the panache of being able to say that he "saw" Horowitz? I would not be disturbed if all of us were so motivated. I would have been disturbed only had there been an empty seat in Constitution Hall on the afternoon of the performance. I doubt that there was.

J. DENNIS LOWDEN
Kansas City, Missouri

Novel ideas

I very much enjoyed Nicholas Lemann's "Missed Moorings: American Novelists Lose Touch," in the February issue. As a writer and part-time professor of literature, I am in an especially good position to sense the truth of what he says about the unreality (in his sense) of current American fiction.

I would add to his picture of the current American literary situation the role of reviewers for the principal literary reviews. Not only do these reviewers, most of them academics, lavish praise (probably honestly felt, alas) on these abstract and gratuitously, tediously, adolescently sneering novels and story collections; they and their editors along with them also will not recognize an alternative approach or vision of America. Therefore, the novelist who practices the kind of art for which Lemann longs finds himself/herself faced with complete critical indifference.

I think isolation in universities is probably, as you say, the principal cause of our current rotten novelistic state. I believe that non-fiction is the only outlet for a novelist who does not share the aesthetic, political, and social assumptions of the current literary poohbahs.

I won the Ernest Hemingway Award eight years ago for a first novel based on my parents. That material used up, and the literary world indifferent to my current enthusiasms, I write non-fiction. Both the research and the writing have been exciting and rewarding, and the reviews and the sales are fine. I only wish there were a place for me today as a novelist, because I do like to make things up, but there is none.

DARCY O'BRIEN
Tulsa, Oklahoma

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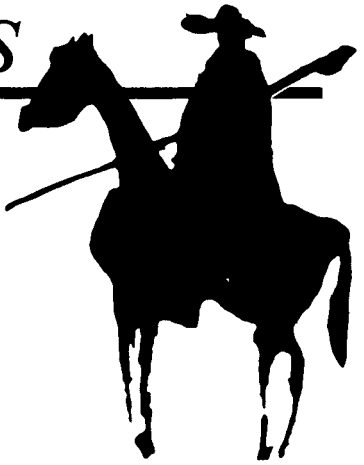
TILTING AT WINDMILLS



Further evidence of how the system is rigged against the average man from the cradle to the grave comes from a recent real estate assessment case in Washington. The Hecht Company's old department store was assessed at $45 million. Hecht's lawyer appealed. The assessment was reduced, not just a little bit but all the way down to $12 million, costing the city a bundle in lost tax revenue. Then the store was sold for guess what—$47 million,more, in other words, than the original assessment that Hecht had appealed.

When lawyers for the rich get reduced assessments like this for their clients, it means the average man has to pick up the difference in the form of higher taxes on his property, which of course he cannot afford to hire a lawyer to appeal....

What are Harry and David doing? You know who I mean—the guys who send you the Fruit-of-the-Month catalog. In their photographs they always look like they're fresh in from picking fruit in the orchards, flannel-shirted, all-around good fellows. Well, recently they sent out a questionnaire that was weird, to put it mildly, with do you agree or disagree items like "I like to think I'm a bit of a swinger," "Members of the American Nazi Party should be prohibited from running for mayor of this city," and "Women should take care of running their home and leave running the country to men."

Bob Greene, the columnist, got on the case and called Harry and David. The first thing he found out is that Harry and David are no more. Their company has been taken over by R.J. Reynolds, the tobacco company. For me, of course, that explains everything. But Greene went on to ask a Reynolds spokesman why. The answer:

"It is merely an attempt to determine the values and lifestyles of our customers. Believe me, we are not trying to collect dossiers on our customers."

But, Green discovered, there is a code number on the questionnaire that matches the code number on the customer label. In other words, you can be identified. I'm definitely not a conspiracy theorist—remember, we published "Was Sirhan Sirhan on the Grassy Knoll?"—but this is a bit fishy....

The largest golden parachute, according to *Business Week*, is the $15 million package that was given to Michel Bergerac as his reward for leading Revlon from profits of $192 million in 1980 down to $125 million last year. Asked if he thought his compensation was fair, Bergerac replied: "Clearly it's an enormous amount of money. Whether it should be less or more, I don't know, how do you judge these things?"

Shall we tell him? Yes, let's. You judge them outrageous....

Parental leave for male employees is now offered by more than one-third of the nation's major companies. But only a handful of the eligible men are taking advantage of it—12 out of 9,500 recently surveyed, as a matter of fact. This is something women have a right to be angry about....

From time to time in these pages, we have mentioned how hard it is to fire a civil servant. But I know from letters we get that many intelligent people do not believe this is a serious problem. Perhaps this example, provided by Jason DeParle of the *New Orleans*

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Times-Picayune, will change their minds:

"On January 30, 1982, a patient at Lallie Kemp Charity Hospital in Independence needed transportation to New Orleans. But when hospital officials attempted to summon the ambulance driver on call, James Young, he was nowhere to be found.

"Young later told hospital administrators that he decided not to carry his beeper, gambling that he wouldn't be needed, personnel records show. The hospital issued Young a written reprimand that promised 'more severe disciplinary action' if he did it again.

"But over the next two years, Young refused to transport a severely burned patient, falsified time sheets, failed to answer calls from work, came to work late, and fell asleep on the job, records show. Hospital Administrator Thomas Landry responded by giving him an unsatisfactory job evaluation, two formal reprimands and three suspensions. Finally, Landry fired him.

"But Young appealed his firing to the Louisiana Department of Civil Service. An appeals referee ordered the hospital to rehire the ambulance driver, pay his attorneys' fees and give him $13,355.47 in back pay.

"In the decision, the civil service official explained that the hospital administrator must prove he has the legal power to fire his employees. To do so, he must submit a certified copy of a letter from higher state officials giving him that authority. But officials submitted only a photocopy.". . .

Speaking fees have long been a polite way of bribing members of Congress. A senator may be famed for his ability to put an audience to sleep but the lobbyist will say, "Senator, we absolutely must have you speak to our convention in Honolulu. Of course, there will be an honorarium and all expenses will be paid—for you and Mrs. Sominex." This practice is now employed not only on Capitol Hill but in state legislatures as well. Thus the McClatchy News Service reports that last year Willie Brown, the speaker of the California Assembly, received $51,677 in honoraria and travel expenses. It is of course possible that the speaker granted no public favor in exchange for these fees. But the groups that paid him—the vending machine operators, utilities, and for-profit hospitals, to name a few—are not known for their eagerness to spend money for nothing. . . .

The General Accounting office has now confirmed a charge made here two years ago that the Defense Department gave the Reagan-Bush campaign the names and addresses of 1.4 million members of the armed services just before the election in November 1984.

This is a classic case of nothing being done about a campaign abuse until long after the election is over. Every politician who violates a spending limit or other election laws counts on just this kind of delay before the truth comes out because then people will just shrug their shoulders and say, well what can you do, take the election away from them, after all it was two years ago and how can you prove what impact it had anyway?

Two interesting facts did emerge from the GAO investigation. One was the speed with which the Pentagon complied with the Republican request. The list was delivered exactly two weeks after it was requested—a list, remember, of 1.4 million names. Wouldn't it be lovely if the Pentagon could rise to this level of efficiency in the discharge of its proper duties?

The other interesting fact is that at the very time the Republican's request was being rushed through the Defense Department, the military was arguing in federal court in Boston against the release of the same names to another applicant, The John Hancock Insurance Company, on the grounds that it might help potential enemies collect intelligence about troop movements. . . .

In Louisiana a Doberman pinscher attacked a nine-year-old boy who needed 55 stitches, plastic surgery, and 32 days in the hospital to recover. The dog had attacked before, so county officials impounded it and tested it for rabies. The dog's owners have sued the county for $100,000 for mental anguish and loss of companionship, claiming $1,000 for each day their dog is held. . . .

For our "I can't believe they would try this" department, GTE is sending

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out letters that begin, "Dear GTE Sprint Customer: Thank you for choosing Sprint Direct Dial Service as your primary long distance service." I know you're asking what's wrong with saying thank you. Usually nothing, but in this case the letter is being sent to people who have not yet selected a long-distance carrier. The letter continues:

"You may receive a ballot from your local telephone company asking you to select your primary long distance service. If you wish to return your ballot as a confirmation, please be sure to sign it for GTE Sprint."...

The Department of Education recently issued a 66-page booklet entitled, "What Works: Research About Teaching and Learning," designed, in the words of William J. Bennett, the secretary of education, to "tell the American public what we know about how to teach." There has been criticism of some of the booklet's recommendations, but I find it a near miracle that a government agency has actually tried to do something practical to meet the problem it was supposed to address when it was founded. Instead, the agencies become so involved in self-perpetuation that they develop an instinctive aversion to solving the problem they were supposed to take on. After all, if the problem is solved, why would the agency be needed, and what would happen to the jobs of its employees? ....

Speaking of losing sight of what you are doing, the Army War College after World War II gradually stopped teaching bright young colonels how to wage war and began to teach them how to become international statesmen. This may help explain the decline in our military effectiveness since 1945. At any rate, I'm glad to report that, according to a recent article in *The New York Times*, the War College is again teaching how to win wars....

In another manifestation of the Reagan administration's concern for the public safety, they have decided not to tell you about the recalls of defective cars any more. If the manufacturer lets you know, that's fine, but suppose he doesn't or suppose he doesn't until after you've been injured because of the defect? This decision was made by the National Highway Traffic Safety Administration. It is part of the Department of Transportation, whose head is Elizabeth Dole. She is an ambitious lady, so that, if you wrote her protesting this outrage, she just might do something about it....

Speaking of outrages, here's one that's minor, but because of the people involved, especially grating. It seems that official cars of the Supreme Court are being used for personal errands, from taking two justices' daughters to the airport, to picking up the laundry of another's daughter—what solicitous parents these fellows are!—to taking Justice Sandra Day O'Connor to the theater. This is against the law, and these are the supreme judges of the law of the land. They're behaving arrogantly because no law enforcement officer is likely to take on the Court, and the Court knows it....

Until last month, I had clung to the hope that we might come to our senses and leave Central America alone. But that hope died when I read that the administration has budgeted $50 million for facilities in Honduras. These include warehouses, aircraft hangers, and barracks. But the conclusive evidence that the military is serious about staying is that the funds also will be used to build a $115,000 racquetball court....

I hope some day someone will write a great book about how the Philippines became a big story to the American press. I have no hesitation in saying there were more stories about that country in our media in 1985-86 than there were in the preceding 40 years altogether even though the abuses of the Marcos regime were occurring during more than a third of that time. In any event, now that it is a story, it promises to continue to be one. NBC alone has 13 staff members who are still there. They have to have something to do all day. It won't be long before we know the municipal politics of Zamboanga better than that of our home towns....

As a long time World War II buff, there is another book that I hope gets written. It is about what has long been for me the greatest mystery of

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that war—Hitler's decision to declare war against the United States in 1941. We had been attacked by Japan. We had declared war against Japan. We had not declared war against Germany. And there was still enough isolationist sentiment in America that Germany would have had to have taken some aggressive action toward us before Roosevelt, as much as he might have wanted to, would have dared ask Congress to declare war. So why did Hitler do it? If he had not gotten us into the war, it seems probably that he would have at least been able to achieve stalemate, if not victory, against Britain and Russia....

We may have a new champion in our search for the law enforcement officer who offers the worst possible example. He's Gordy Taylor, the sheriff of Grand Forks County, North Dakota. The sheriff has been arrested three times for drunken driving since 1981....

If you don't think poverty's a problem for youth, consider the fact that one in three American children live in households that receive government help from welfare, food stamps, or Medicaid. All these programs are means-tested, meaning they go only to the poor....

Back to the IRS. Not long ago, according to the *Detroit News*, a resident of Pleasant Ridge, Michigan received a letter from the IRS saying that its records showed he hadn't filed a return in 1982.

He immediately sent photocopies of his 1982 return and of the $900 refund check he had received as a result of the return.

"Don't try to fool us," said the IRS. "If the return isn't on the computer, it doesn't exist."

For two years, the man from Pleasant Ridge struggled to overcome this point of view, but the IRS was adamant. Finally he gave in and filed another return. The computer beamed, and immediately proceeded to print out and dispatch another $900 refund check.

The only thing that's not typical about this story is the extra $900. Most of us get no compensation for our usually futile struggles with faceless computers. Yet the attitude of the IRS is increasingly common. To my eternal shame, not long ago an employee of this magazine told a loyal subscriber with a complaint that the subscriber must be wrong since the computer is always right. What is so bizarre about this attitude is that anyone who has worked with computers knows that they can be wrong and that, when they are, they will never ever admit it....

One of the more dubious developments of recent years has been the industrial bond (see "Industry's Bondage Fetish," by Harold Bergen, January 1981), under which local governments issue tax-free bonds to lure industry to their community. The catch, of course, is that we're using tax incentives to permit one part of the country to gain at the expense of others and to distort rational decision making about plant location. This insanity has reached new heights in Georgia, where industrial bonds are being issued to attract an Irish corporation to establish a large dairy farm. In case you haven't heard, this country already has a large dairy surplus. Now we're giving a tax incentive so a foreign company can increase that surplus, which the rest of us will pay for in the form of government subsidies for dairy farmers....

When it comes to its own expenditures, how faithful is the Congress to the spirit of Gramm-Rudman? Let us hope this one sign does not point the way, but the Senate Finance Committee is seeking a 21 percent increase in its budget.

The cost of congressional postal service may well rise more than 21 percent. This is thanks to a ruling by the Comptroller General that "regardless of the cost incurred by the Postal Service in handling franked mail, the amount the Congress appropriated to the Postal Service would be considered payment in full for the service." In other words, Congress could appropriate $500, the mail could cost $500 million, and the $500 would have to be accepted as full payment....

In one of those decisions that turn liberals into conservatives overnight, the United States Court of Appeals for the Second Circuit has ruled unconstitutional a federal law that permits judges to deny bail to a defendant they believe is a danger to the community.

In the case at hand, the

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defendants were a group called Los Macheteros—in Spanish the term means "the machete wielders." The group is a paramilitary terrorist organization that has committed a number of crimes. The court did not say the defendants weren't dangerous but held that, even if they were, the mere fact that they were likely to commit other crimes while on bail is not enough to deny them bail....

There is a program on public television called "Modern Maturity." It is, as those British-accented announcers love to say, "funded" by the American Association of Retired Persons. That just happens to be a lobby. Yet I don't think most viewers will recognize it as such. Should public television be sponsored by lobbies? The answer may not be easy, but at least the problem ought to be confronted. And it won't be until the public realizes what AARP is and also realizes that the interests of the elderly, which are often discussed on the show, do not always coincide with those of the rest of us....

Speaking of the elderly, the letters about Social Security in this issue remind me that we have added several thousand new readers since I last explained my position on the issue. So with apologies to our old subscribers, who should now skip to the next item, here are my concerns and my solution.

Under present income-maintenance programs—unemployment compensation, Social Security, veterans pensions, and welfare—there is much wasteful duplication, with many people getting payments from two programs at the same time. And, of the four programs, only welfare is based on need. The others waste a lot of money on people who don't need it. At the same time, they often fail to provide enough money for those who are totally dependent on them. It is absurd to make any Social Security payments to the Rockefellers as long as recipients who have nothing else live such a painfully threadbare existence.

Furthermore, since Social Security is financed by a tax which employees and employers must pay regardless of what their other expenses are, it often takes money from people and businesses that are barely keeping their heads above water. To give you an idea of the costs, take an individual who makes $10,000. He and his employer pay $1,420 in Social Security taxes, while he pays only $890 in income tax. In the case of a struggling enterprise that can't function without a certain minimum number of employees, inability to pay rising Social Security taxes can actually close the business down. Certainly such taxes are a disincentive to hiring new employees. This does not make much sense in an era of 7 percent unemployment.

The solution I propose is to combine all income-maintenance programs into one that would be paid only to those who need it. This would give us insurance against need, which I think is all most of us really want from these social programs. After all, when we buy fire insurance, we hope our home won't burn down but want to be protected if it does. Similarly, when we buy Social Security, we hope we won't be poor when we're old but want to be protected if we are. By eliminating duplication and payments to the affluent, we can give more money to those who need it and still have an overall saving from the combined costs of the present programs.

I would finance the new program by an addition to the income tax, which means it would no longer threaten struggling individuals and businesses with bankruptcy. And perhaps most important, it would no longer discourage businesses from taking new employees.

This program should have a work requirement for every adult under 65 who is not the single parent of preschool children. Collected through the tax system, it would be payable the same way, as a negative income tax. There would be no public stigma because only the IRS would know. There would be a stigma only when a recipient who should work refuses to do so, as indeed there should be.

As for people presently receiving Social Security and those close enough to retirement to make it unreasonable for them to alter their plans to take account of the new system, I would continue the benefits at the present level. But they are getting one hell of a deal. They are paid back both their and their employers' contribution plus interest within three years. They

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have a life expectancy of 17 years once they have reached 65. That means that 14 years of their retirement is paid for by the rest of us. That letter writer who says he could have done better investing the money himself may be another J. P. Morgan, but most present recipients are doing far, far better than they could have done investing for themselves. Certainly, to answer another letter, no investment of their own could have guaranteed them protection against inflation.

While I would not reduce the benefits of those present and close-enough-to-taste-it recipients, I would make their benefits fully taxable, instead of only partially so, as they are now. The partial tax is producing $3.6 billion in revenue. A full tax would yield much more, probably around $10 billion. This would come in handy for the Republic, and even more important, would keep the rich recipients from getting away with highway robbery....

In all the "gaffe" reporting of George Bush's recent remarks about the need to stabilize oil prices, I did not find one sentence indicating that any reporter writing about it had the slightest sense that, however questionable might be Bush's motives for raising the issue at this time, reasonable stabilization of commodity prices should be an important goal of the world economy. Wild fluctuations in commodity prices can produce economic disaster for both producer and consumer countries. The failure of political reporters to understand this is further evidence of their abysmal ignorance of the important issues of politics as distinguished from the horse race aspect they all love so much....

General Dynamics is definitely not the Mr. Clean of defense contractors. It is currently the subject of three grand jury investigations and, according to the assistant secretary of the Navy, "10 to 15" Pentagon investigations. In May 1985, the Navy suspended the company for misconduct against the government. But now the Navy has not only lifted the suspension, but has entered into a five-year agreement not to suspend General Dynamics for any past wrong-doing that may be brought to light.

An assistant U.S. attorney told a reporter that he was "stunned" by the news. "I never heard of anything so broad. I can't think of one good reason why the Pentagon would do it."

The reason is that the Pentagon needs General Dynamics to spend money on. The Pentagon is first and foremost a spending machine. Anything that stands in the way of spending must be overcome—and that includes any decent standard of ethics for government contractors. This sounds terribly harsh, but if you doubt me, consider a recent story by Nicholas Kristof of *The New York Times* that began:

"Kickbacks in the awarding of subcontracts by big military contractors are widespread and institutionalized and present far more of a problem than generally believed, according to investigators for Congress and law enforcement agencies."

Or take this story from the *Los Angeles Times*:

"Federal authorities have been told that up to half the purchasing agents for Southern California defense contractors take kickbacks in return for awarding lucrative subcontracts."

To put this into proportion in the overall defense picture you should understand that kickbacks are a small problem compared to overcharging, and that overcharging is a small problem compared to weapons that don't work or aren't needed. So if kickbacks are of the dimension these two stories suggest, you can began to see the extent of the other problems....

When you're driving to or from work or just around your neighborhood or on a trip, do you notice that an awful lot of drivers yell abusively at one another? I must confess that I am not without sin in this regard. But, however self-righteous I might feel at the moment of the other driver's stupidity or selfishness, a few moments later I'm shaking my head in embarrassment at my outburst, realizing that there have been times that I, too, have been stupid or selfish on the highway and needed the forgiveness of my fellow travelers. I remember, with special sheepishness, once pulling abreast of a driver I had been yelling at, only to discover that she was an old friend....

—*Charles Peters*

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WHO'S WHO in the Administration

Back in March we predicted trouble for White House speech writer **Bently T. Elliott** if he kept up his battles with **Donald Regan**. We noted at the time that Elliott's victory over Regan concerning the contents of the president's State of the Union address was pyrrhic and that it would be prudent to fear Regan's influence. Apparently he didn't take our advice; on May 30, Elliott left the White House....

The same advice was extended to Elliott ally **Pat Buchanan**. Buchanan seems to be identifying Regan with his old nemesis **H.R. Haldeman**. Haldeman was Nixon's chief of staff when Buchanan first served in the White House. Buchanan remains, but if he keeps fighting with Regan....

During his five-year tenure as White House counsel, **Fred Fielding** was infamous for eagerly checking to see if his name was on the passenger manifesto whenever Air Force One was headed abroad. Now we see that, while forcing Fielding to walk the plank, **Donald Regan** gave him one last wish: he sent him to Australia as presidential envoy for the celebration of Australian-American Friendship Week....

Speaking of junkets, it appears **Clarence Pendleton Jr.**, chairman of the U.S. Commission on Civil Rights, took a few he shouldn't have. According to a recent GAO report, political groups, oil companies, television stations, and others improperly paid for some of Pendleton's travel. This revelation adds to Pendleton's mounting woes: he is already under investigation by the Small Business Administration for arranging a $60,000 no-bid contract for his special assistant, **Sydney Novell**....

It comes as no surprise that NASA's **George Hardy**, the man who told Morton Thiokol engineers that he was "appalled" by their recommendation that the launch of the ill-fated space shuttle Challenger be postponed, has retired less than four months after the disaster....

We stand corrected: For years we've thought that the best way to learn the dirty secrets of government was to do a lot of legwork. Now we know a much better way: offer every Washington insider a book contract. What former OMB director **David Stockman** and Assistant Secretary of Defense **Richard Perle** won't tell you when you're on deadline, they seem more than willing to talk about in book form, whether fiction or nonfiction. The only problem with this system is that it is expensive. For the rights to publish the novel based on Perle's six-page proposal, publishers have reportedly offered advances in excess of $300,000....

Reagan's new high priest of privatization is **Thomas Moore**, a University of Chicago economics professor. A former senior fellow at the Hoover Institution, Moore now heads up a cabinet-level working group on privatization. This is Reagan's second attempt at pushing privatization. Remember the first try? That was back in 1982, when James Watt unsuccessfully tried to sell off governmental lands to the highest bidder....

The appointment of **Peter J. Wallison** as White House counsel shows that Reagan's California connections are still strong. Before coming to the White House, Wallison was a partner in the law firm of Gibson, Dunn and Crutcher in Washington. Former Attorney General **William French Smith**, Reagan's longtime friend and personal attorney, is a senior partner in the firm, which is based in Los Angeles....

In

WHITE HOUSE

Deputy Counsel to the President—**Jay B. Stephens** has been associate deputy attorney general at the Justice Department.

Special Assistant for National Security Affairs and Senior Director of Asian Affairs, National Security Council—**James A. Kelly** has been deputy assistant secretary of defense for international security affairs, East Asia and the Pacific.

DEFENSE

Secretary, Air Force—**Edward C. Aldridge** has been undersecretary.

HEALTH AND HUMAN SERVICES

Assistant Secretary for Management and Budget—**S. Anthony McCann** has been acting assistant secretary.

INTERIOR

Director, Fish and Wildlife Service—**Frank H. Dunkle** has been special assistant to the regional director in Denver.

AGENCIES AND COMMISSIONS

Acting Administrator, Small Business Administration—**Charles Heatherly** has been director of the President's Commission on White House Fellowships.

Out

WHITE HOUSE

Deputy Counsel to the President—**Richard A. Hauser** has resigned.

DEFENSE

Secretary, Air Force—**Russell Rourke** has resigned.

Acting Deputy Director, Strategic Defense Initiative Organization—**Dr. Gerold Yonas** will remain as chief scientist.

HEALTH AND HUMAN SERVICES

Assistant Secretary for Management and Budget—**John J. O'Shaughnessy** will be senior vice-president of the Greater New York Hospital Association.

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I Turned Down Tenure

Why other professors should, too

by David Helfand

In the autumn of 1981, I was informed that I would be promoted to a tenured professorship in the Department of Physics at Columbia University. I told the department chair I didn't want tenure.

University officials were bewildered. Why would anyone turn down permanent job security? Was that even allowed? It was the equivalent, one provost told me, of renouncing the liberties guaranteed under the Bill of Rights. After 18 months of negotiation, however, the university began to take my position seriously and agreed to my request for a five-year contract. Renewal of my contract for another five-year term depends on the outcome of a peer review, now under way, of my teaching, research, and "service contribution" to the university and to my profession. By agreeing to this contract, the university will find itself in violation of the guidelines of the American Association of University Professors (AAUP). Those guidelines state that full-time faculty cannot be employed more than seven years without being granted tenure.

I turned down tenure because I believe that the university tenure system should be abolished. Tenure is rooted in the premise that academic freedom and review of performance are somehow antithetical. It is, however, used more often to deprive young academics of freedom than to defend the senior faculty it is designed to protect. It can exclude productive, energetic scholars from the system, maintain unproductive, unmotivated teachers in our universities, and discourage our best young minds from pursuing academic careers. Finally, it attracts and protects faculty members more concerned about preserving their job security than in defending their convictions, a group carefully selected to nurture established norms rather than one committed to the vigorous pursuit of knowledge.

Protecting the protected

What is tenure? Columbia University uses a rather typical definition of tenure and its professed purpose—the preservation of academic freedom: "To protect their academic freedom, officers of instruction are granted. . .appointments with tenure [i.e. without stated term], in which case they cannot dismissed without cause except in extraordinary circumstances in case of Discontinuance of a Unit." That is to say, after having been anointed by the requisite number of

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departmental, administrative, and *ad hoc* committees, and after receiving a letter stating that one's appointment "will continue during the pleasure of the Trustees," a faculty member can be fired only for "gross inefficiency, habitual and intentional neglect of duty [habitual *or* intentional neglect is evidently considered acceptable] personal misconduct," or the abolishment of his or her department. There follows a description of the tortuous procedure that must be used to prove "adequate cause," including the establishment of no fewer than four faculty, administrative, and trustee committees to review the matter and an intricate, recursive review of these reviewers. No Columbia professors have been fired under the procedure in at least 20 years, according to the provost's office.

The formal notion of tenure has not always been entrenched. In fact, in the early twentieth century, Columbia's president Nicholas Murray Butler tried to fire professors at will. He successfully sought the dismissal of an irascible but respected psychology professor, J. McKeen Cattell, ostensibly on the grounds that he had signed a petition urging Congress not to allow American troops to be used in World War I. By World War II, though, sensitivity to academic freedom had grown, and in 1940 the AAUP and the Association of American Colleges signed a pact codifying the principles of tenure. Moreover, with so many GIs entering college, the demand for professors was tremendous, and universities not only became reluctant to demand that the right to fire be included in contracts, they began incorporating the doctrine of tenure into their by-laws.

The principal argument for tenure has been that it is essential to the preservation of academic freedom, that it alone can guard the special freedoms that a university must offer its instructors: freedom to teach the material they want to teach, freedom to conduct research and publish its results, and freedom to express opinions and form associations without fear of penalty.

There have been times when academic freedom was threatened from without by political or religious forces. Probably the most obvious example is the McCarthy era. But what happened? Professors—both tenured and untenured—were fired for their political views; but most were not. Both facts are important. First, tenure proved not to be absolute protection because it vests a board of trustees with the final power of dismissal. The Columbia by-laws, for example, still state that the trustees "shall make the final decision." During the McCarthy era some ruling boards caved in to political pressure; at the University of Washington the Board of Regents dismissed two professors who were members of the Communist Party. Universities that resisted political pressure, however, did not do so out of divine respect for tenure. As a community of scholars, administrators, and trustees, they were defending a precious freedom. As Chancellor Hutchins of the University of Chicago wrote when his school was under pressure to purge its faculty of communists, "The policy of repression of ideas cannot work and never has worked. The alternative to it is the long and difficult road of education." It is this shared belief in academic freedom that protects against external threat, not the rigid rules of the tenure system.

Some argue that tenure doesn't merely protect overtly political expression, it creates a general climate in which professors feel more comfortable experimenting—pedagogically, philosophically, and politically. Without tenure, the argument goes, cautious conformity would rule. But, I would ask these tenure proponents, of those you know who have recently gained tenure, how many suddenly have discovered latent feelings of courage and adventurousness? The only difference I have ever detected is that newly tenured faculty tend to turn down what they view as undesirable assignments, such as serving on faculty committees or acting as student advisors.

Finally, the courts increasingly have ruled that constitutional rights do protect professors—both tenured and untenured—from being dismissed on political grounds or because of discrimination. In 1978, for example, in *Ofsevit v. Trustees of the State University of California and Colleges*, California's highest court ruled that the First Amendment protects teachers from being fired for their political beliefs or activities. The U.S. Court of Appeals, in a case involving City University of New York, ruled that professors have the right to know the votes of their tenure committees so they have an opportunity to expose cases of discrimination. It is important to note that while in these cases the courts supported the professors, they did so not by affirming the sanctity of tenure but by applying constitutional principles afforded every citizen.

Taken for granted

Ironically, at the same time tenure does little to safeguard academic freedom for those who have it, it powerfully suppresses the academic freedom of those who don't. Junior faculty members worry less about offending the spies from Accuracy in Academia than about offending their

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When I was appointed to an assistant professorship at Columbia in 1978, the department chairman told me that spending more than a minimum of effort on my teaching assignments was a "waste of time."

department chairmen, who make the recommendations to the tenure panel. Alan Wolfe, the distinguished, and tenured, Marxist economist, writes, "I am convinced, the AAUP to the contrary, that tenure does irreparable harm to political dissidents. Younger radical scholars have been eliminated from academia because of the tenure of bitter old men. They vote against solid junior faculty who threaten their credentials as house radicals. Tenure is in the process of driving out perhaps the most creative group of young social scientists ever trained in America." This pressure is not directed merely at the teacher's political views. When I was appointed to an assistant professorship at Columbia in 1978, the department chairman told me that spending more than a rather modest minimum of effort on my teaching assignments was "a waste of time if you want to stay at Columbia." I appreciated the candor but not the sentiment; it was difficult, however, to completely ignore the advice. Later, when I served on my first tenure review panel, I learned that his counsel was astute. In the four-inch pile of documents on a candidate for tenure, there was one clause—not even a full sentence—about teaching ability. This triggered my curiosity. I asked colleagues whether in all their experience on tenure panels (about 100 such experiences in total) there had been someone whose incompetence as a teacher led to a denial of tenure. They all said no.

When doing research I did things I was never overtly forced to do—writing grant proposals for the support of the research group, entertaining visiting scientists, scrambling to be invited to talk at professional meetings—but if I hadn't done them, I most likely would not be at Columbia today. Even in one's private scholarly work, there is pressure for visible results. One of the most important criteria for promotion, far more important than teaching ability or scholarly performance, is the number and quality of outside letters of recommendation one can attract. In the sciences your ability to generate plenty of federal grant dollars is another prerequisite. Every few months I'd find myself applying for another grant, often just out of habit and conditioning. This emphasis on grantsmanship has little to do with quality research: I have yet to start work on a totally uninspiring project under a $25,000 grant I was supposed to have spent by June 1.

The life of an untenured faculty member is not that of a scholar; it is the life of one whose priorities are set by others and whose opportunity to practice his or her profession is always in the balance.

Tenure also limits mobility and closes faculties to bright new professors. I am 35 years old. If I accept tenure I could stay in my current teaching slot until I am 70. Nationally, two-thirds of all full-time faculty slots are filled by tenured professors. At many top institutions, the proportion is even higher: Wisconsin 82 percent, Berkeley 81 percent, Stanford 77 percent, Duke 75 percent.

I joined the astronomy department in 1978 along with three other young professors. The department was praised in an internal university report for drawing in younger scholars instead of simply reaching for the academic stars. After a few years, the chairman of the department, having taken the praise to heart, ingenuously asked the dean of the Graduate School of Arts and Sciences for tenure slots for the four of us. The dean gagged. The department had no money for one, let alone four, new slots, he told the chairman. So by 1983 I had shifted to the physics department, and the other three—all good teachers—had left, one for a full professorship at UCLA, another for a "tenured" job at Livermore labs, and another for a lucrative job at IBM.

Because of this tenure-caused rigidity, trends in the number of college-age students rather than a long-range vision of the balance among disciplines within a university have been determining hiring policies. In the late 1950s, as the baby boomers approached college age, universities and colleges expanded rapidly, forcing a scramble for professors that led to substantially relaxed standards in tenure promotions. But by the late 1960s and early 1970s, with a flood of new Ph.D.s pouring into the academic job market, the number of

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permanent positions available plummeted. Remember, tenure for a 35-year-old professor in 1958 translates into a filled position through 1993. Soon universities will begin to hire en masse again, but the numbers of graduate students in the arts and sciences declined dramatically in the past decade. When the hiring frenzy resumes in the next decade, universities will be selecting from a small pool of candidates that, in many fields, is rather thin in talent. Tenure will be dispensed liberally to retain faculty in a seller's market and we will have locked in for 35 years a faculty of questionable distinction who will, in turn, block academic paths for another 35 years.

Most important, tenure attracts and protects the wrong type of professor, and encourages the wrong type of behavior. In my naive youth, I felt that the existence of tenure was incidental to the decision to choose a career in academia, that the opportunity for a lifetime appointment was not a powerful magnet. I was mistaken. Repeatedly, in conversations with junior and senior colleagues alike, I find that the prospect of a guaranteed job is an important component in their choice of profession. I was disheartened when a very successful colleague told me he had resigned his position in a prestigious private laboratory to accept a position at Columbia so that "he wouldn't be dependent on peer reviews." This is troubling. Scholars hold a unique position in society. They are entrusted with the preservation and transmission of the culture, and they are by far the largest group that is supported primarily for the purpose of extending the frontiers of knowledge. For those crucial tasks, we are selecting those with the greatest need for security, and the least confidence in their ability to hold a job on merit.

My experience has been that those who are most security-conscious are also the least likely to possess the intellectual creativity and courage needed to extend the frontiers of knowledge. What we need in our universities are people like J. McKeen Cattell, the professor Nicholas Murray Butler tried to fire several times during World War I. Instead of nervously retreating, Cattell wrote a letter to the faculty describing Butler as "many-talented and much-climbing" and suggesting that the president's house be expropriated for use by the faculty. Similar defiance in the face of official displeasure is far too rare today.

Unfortunately, while tenure is not particularly effective at protecting academic freedom, it is quite good at preserving incompetence. Professors and administrators at Columbia and other schools take it so much for granted that faculties are studded with deadwood that they commonly discuss "acceptable" ratios of incompetent to competent professors. The consensus seems to be that *only* one to four is a reasonable ratio. My own mental list of professors we should do without includes both those who never had much talent and those who did but lost most of their energy after gaining tenure. I'll never forget the discussion I had with some colleagues about two professors in one of the school's weaker departments. We were all complaining that they were uninspiring teachers and marginally competent researchers. Eventually one professor, seemingly unaware that the tenure system existed, blurted out, "I don't understand. Why don't they just get fired?" The other professors shifted around in their chairs nervously until one said, "We don't treat Columbia professors that way."

Tenure even can damage the creative drive of the good professor. After tenure is granted, there can be the depressing feeling that the rest of one's life is foreordained. One senior member of a prestigious college's administration told me that the day he resigned his tenured position at another university to take his current job was "the greatest day of my life; I felt as though a tremendous weight had been lifted from my shoulders."

Another way

What are the alternatives? Several schools use a one-three-five-year series of contracts so they have a chance to gain confidence in the teacher's abilities before signing him or her on for the long term. The University of Rochester has lengthened pre-tenure probation to 11 years, with short-term contracts required until then. Union College in Schenectady, New York, suspended the "up or out" rule in the early 1970s and now determines after six years whether or not a candidate is "tenurable"; an affirmative decision leads to a renewable six-year contract and a place on the "waiting list" for tenured slots. The experimental Hampshire College, founded in 1970 in Amherst, Massachusetts, eschews tenure altogether, offering renewable contracts of increasing term.

To me, a renewable contract is reasonable. From my current letter of appointment, the university undertakes to "renew [my] appointment every five years conditional upon satisfactory review of [my] work." In the third year, the provost is to appoint a faculty review committee to decide whether to renew the contract. I have just submitted my first brief in response to a request from the provost beginning this review. It appears that at last the process is being taken

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> While tenure is not particularly effective at protecting academic freedom, it is quite good at preserving incompetence.

seriously. The university is clearly nervous about agreeing to an act that fundamentally challenges the tenure system. "For the time being we consider him an untenured faculty member, but that's still in question," Associate Provost Stephen Rittenberg said recently. Every year since I rejected tenure I have received a letter from the secretary of the university informing me of my tenured status, to which I've courteously replied that she was mistaken. For an untenured faculty member to serve on *ad hoc* committees and assume a departmental chairmanship requires special dispensation.

The system I have adopted is not perfect, of course. Some of the problems of the tenure peer review process—the petty politics and pressures to conform—would still be present under the contract peer review system. To truly improve the process of selection and promotion in academia, the values emphasized by the community must change. There is little chance, for example, that good teachers will be abundant if peer review panels refuse to view teaching as important. But the system I propose does help move them in that direction. The academic department, the level at which personality clashes take on most significance, is divorced from the decision; the renewal decision is made by an *ad hoc* committee of people outside the department.

Moreover, unlike the tenure system, the contract system allows me to present the information I think is important. I was careful to amend the contract Columbia offered me so that it explicitly stated that teaching performance is one of the qualities on which I will be judged. As part of my application for renewal I included descriptions of my work with students, the courses I designed, and my work as a faculty dormitory adviser. Under this kind of system, each individual could make the personal choice of how to balance teaching, scholarly work, and service to the university. In a well-run department, the mix of approaches and personalities would allow for the development of each professor's strengths and broaden the rules by which professors are judged. And a professor who got his job by following a maxim other than publish or perish would be less likely to impose that standard on others.

Even within the system I have proposed, schools could provide extra protection against abuse of academic freedom by setting up an arbitration process in which those who feel they were fired for political reasons or on other unjustifiable grounds could appeal to a university-wide body or even a panel composed of outside scholars. This system, a common mode of protection in union contracts, combined with a natural reluctance to fire people and the kind eye of the courts, would provide sufficient insulation without the rigidity of the tenure system.

The probability of instituting such a system of renewable, fixed-term contracts nationwide seems small at present. The tenure system is administered exclusively by those with a strong self-interest in maintaining the status quo (principally the AAUP). I have been encouraged, however, by a small number of faculty members around the country who recognize the problems I have cited and who feel strongly that change must come. Several have discussed the prospect of resigning their tenure, as James O'Toole, a social anthropologist at the University of Southern California, did in 1979. The task now is to find like-minded colleagues and to ask for some sort of term appointment requiring review. Such a plan for language teachers is being seriously discussed at Columbia. The law school has recently established a category of clinical professor hired on a year-by-year or multi-year contract much as many medical school professors are.

The coming decade will see an unprecedented wave of retirements among college professors hired during the massive wave of tenuring of the 1950s and early 1960s. This upheaval represents an invaluable opportunity to restructure the system of academic employment and ensure the future health of our universities. Failure to do so will have serious consequences for both higher education and fundamental research well into the next century. ■

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MEMO OF THE MONTH

Laventhol & Horwath / Boston
Certified Public Accountants

Subject: Tax Season Party

Date: April 16, 1986

From: Michael D. Cunningham

To: All Tax Department Personnel

Copies: David Love
Tom Whelan
Nick Iacuzio

This is a reminder that our Post Tax Season party will be held from 5:00pm - 7:30pm at The Boston Racquet Club at Ten Post Office Square. Cocktails and hors d'oeuvres will be served. As with other parties sponsored by the firm, I would ask you to be sensitive to the consumption of alcohol, particulary if you will be driving. As a practical matter the costs of the party have been budgeted based on a three drink per person limit and while were not requiring that this be strictly observed you should at least feel quilty if you go over that number because someone else will have to have less. The recommended way to handle this is to be certain that you have a commitment from another person who will have less than three before ordering the forth.

Thanks for all your hard work during the past several weeks and I look forward to seeing you at the party.

MDC:jr

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THERE'S NOTHING LIBERAL ABOUT RENT CONTROL

by Blake Fleetwood & Kurt Eichenwald

A single 38-year-old correspondent for ABC News is participating in an interesting program in New York City. Despite his salary of $70,000, he qualified for a roughly $1,000 discount in rent for his one-bedroom Manhattan apartment. He pays $560 a month. His secretary isn't quite so fortunate; she's not in the program. Although she makes less than a third of his income, she is paying $1,000 per month for an apartment half the size.

If the program were welfare, we'd call the lucky man a cheat; if he were a defense contractor, we'd say he is gouging the taxpayer. But the correspondent is a long-time New Yorker, so we'll just call him typical.

The program he has benefited from for the past ten years is rent control, and few New Yorkers are demanding an end to the inequity. Set up as a temporary curb against rapid wartime rent increases, controls have remained long after they were supposed to expire. Over the years, politicians have expanded the controls through a complex web of rules, governing rents for 1.2 million apartments, and more than half of the city's tenants.

Faced with a housing crunch, nine states, along with such major cities as Boston, Los Angeles, San Francisco and Washington, D.C., have instituted rent controls. As a result, 12 percent of the nation's housing is now covered by some form of control.

Liberal politicians and organizers tend to view rent control as the most effective way to combat abusive rent hikes by unscrupulous landlords and to guarantee cheaper housing for the poor. But rent control's track record in New York should make them think twice, not out of some abstract affection for the invisible hand, but because in practice rent regulations have benefited the well-off at the expense of the urban poor, fundamentally contradicting the principle of equity to which liberals subscribe.

Rent regulation has been inequitable in its application, as the case of the ABC correspondent shows. It has drained hundreds of millions of dollars from city treasuries, is open primarily to those with money and guile, and plays a role in exacerbating the housing shortage. Yet rent control has developed a culture of protective tenants frightened of an unregulated market and politicians who play to their fears, making rent control politically untouchable. It is a classic case of the majority gridlocking the political system for personal gain and in the process hurting the entire community.

As a World War II-era emergency measure, rent controls made perfect sense. New York was jammed with war workers, housing was scarce and housing speculation feverish. Congress

Blake Fleetwood, who has covered economic development for The New York Times, *rents out apartments in his decontrolled Manhattan brownstone. Kurt Eichenwald, a Washington writer, is a renter.*

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enacted rent controls around the country in 1942 and repealed them in 1945. But New York retained its. Only 15 percent of the apartments in the city are now under the original rent control laws; the remainder fell under subsequent regulations. Rent increases are decided by a body called the Rent Guidelines Board, consisting of tenant and landlord representatives appointed by the mayor. Initially, rent regulations applied only to apartments built before 1947, but in 1969, in response to what tenants said were unjustified rent increases and landlords said was political pressure from the wealthy living in the new buildings, the city placed all existing buildings under rent stabilization. The rules governing rent increases are hopelessly complex in application but simple in principle: rent increases are controlled by the state, not the market. It would seem to boil down to a philosophical question of whether the market or the government can best balance equity and efficiency; a classic liberal/conservative split.

The first questions asked by liberals then, should be, are rent controls equitable? Do they help those who need it most? The answer is no. Consider the infamous Mayflower Madam, Sydney Biddle Barrows, who was paying $376.99 monthly on her apartment when her income from her "escort service" was more than a million dollars. Actor Darren McGavin held on to his $218.98 a month rent controlled apartment although he lived most of the time in his Beverly Hills mansion. Alice Mason, the celebrated hostess who brokers more than $100 million in co-ops and houses for the very rich, lives in a rent regulated apartment for a few hundred dollars a month. We found a vice president of an advertising company with a six-figure salary living with his wife in a huge apartment on the fashionable Upper West Side for $600 a month; an elderly woman who is active in Democratic politics with a full floor of a West Side brownstone paying $60 a month; and a university professor with two rent stabilized apartments who sublets one for a net gain of $300 a month. There are eight rent stabilized apartments in the posh Plaza Hotel in midtown Manhattan. Even Mayor Edward I. Koch pays $352.60 a month for a rent controlled apartment worth $1,200 a month on the open market, even though he lives in a riverfront mansion provided by the city and made approximately three-quarters of a million dollars in the past two years from his best-selling memoirs—on top of his $110,000 a year salary.

These examples have a Reagan-like, "welfare-Cadillac-queen" feel to them. But they are not isolated cases. Anyone who has lived in Manhattan knows several other people with similar "great deals." And the evidence of inequity goes beyond anecdote. Tenants in rent regulated apartments are much wealthier than the average city renter, according to both a 1984 city-sponsored study and a 1985 Arthur D. Little study commissioned by city landlords. The average upper-income household in Manhattan, with an annual income of $40,000, pays $522 per month in rent or 15.5 percent (far below the national average of 30 percent), the Arthur Little study reported. Meanwhile, households in the lowest income groups pay more than 60 percent of their income for rent, largely because they don't get the good rent control deals. "It appears that there is little in the financial structure of New York City's private housing that protects the poorest households from paying very burdensome proportions of their income for rent," the study concluded. "On the other hand the [rent control] structure seems to provide quite liberal housing cost benefits to the better-off households."

In short, rent control is a government program that helps the rich. Okay, there are plenty of government programs that help the rich en route to helping the poor. A standard argument in defense of Social Security is that although it benefits the rich, it at least provides a cushion to the poor. And certainly there are hundreds of little old ladies living on a margin who would be thrown on the streets but for the rent regulations. But even that argument—as questionable as it is in the case of Social Security, given the tremendous waste—cannot be applied to rent controls because the system freezes out thousands of needy. Only a small percentage of tenants in rent regulated housing live near or below the poverty line. Most of the poor live in public housing (half a million) or in areas so run down that rent controls are irrelevant. For that reason *The Amsterdam News*, New York City's leading black paper, opposes rent control. A 1976 editorial entitled "End Rent Control" argued that rent control had not "moved minority groups toward better and less expensive housing."

Rent control locks out the needy by locking out newcomers. The only people who benefit from it are those who have managed to get a lease and then never move again. But it's the poor who lose their leases most frequently. The 1981 Housing and Vacancy Survey of New York showed that those searching for rent stabilized apartments have lower incomes than those already in them.

A recent arrival to Manahattan might visit a friend who lives in one of these dream apartments

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"I happen to think that if I do have a bargain I'm not giving it up," says Ed Koch, who lives in a riverfront mansion and pays $352 a month for a rent controlled apartment worth $1,200 a month.

and wonder how he might come upon one. But a quick check of "for rent" ads shows a few new apartments at astronomical prices—$1,500-plus monthly for a one-bedroom hutch in an average Manhattan neighborhood—and not much else. The newcomer will then be initiated into the local caste system. His friend will explain that the various laws and regulations create different classes of renters, and only a certain class of renters is eligible for the rent control program.

There is a "means test" for rent control: inheritance, longevity, determination, wiliness, connections, or bribery. An advertisement in a recent issue of *New York* magazine showed one strategy for landing a rent controlled apartment: huge finder's fees. In this case, the ad offered a $20,000 bounty for a primary lease (read lifetime) on a two-bedroom, rent regulated apartment. In many cases, rent stabilized apartments become a family heirloom, handed down from relative to relative. Or, a landlord might just give the apartment to a family friend or to someone he owes a favor. A few years ago, one highly paid editor of *The New York Times* was given a rent stabilized apartment on Park Avenue at a savings of some $12,000 a year over market rents by Rudin Brothers, one of the biggest and most politically connected landlords in the city. One young attorney won the right to pay $900 a month for a one-bedroom apartment on the West side only after her father, a stock broker with connections to the building management company, came up with a $10,000 bribe. "That's the way it's done," she said.

Stop making sense

Once tenants get their coveted rent controlled apartments, they rarely give them up, even when their kids move out or when they buy a house in the suburbs. If the tenants do need to move on there are other ways of evading housing laws to keep "title" and make profits. Metropolitan Life, which owns Stuyvesant Town and Peter Cooper Village, two middle-class Manhattan developments, estimates that 40 percent of its tenants are illegally subletting. Many of the primary tenants, the management found, permanently moved to Florida or upstate New York years ago, keeping their apartments as a tax-free retirement investment that yield $200 per month. Often people will buy a condominium and rent out their apartment to pay for the purchase.

It's not hard to see how rent controls limit apartment turnover, which in New York is less than one-third the national average. Apartment hunting in New York is famous for being nasty, brutish, and long. Small wonder that once they get a lease, New Yorkers almost never let it go. With little new rental construction in the city, rent control helps explain the 2 percent vacancy rate. Even if the number of housing units remained constant, rent regulations would make it difficult for apartment have-nots to become haves. Unfortunately, since 1951 New York City has *lost* more than 500,000 rental units—about half the current stock of private regulated rentals. Two thousand apartments are demolished or turned into cooperatives every month. The borough of the Bronx has lost 30 percent of its apartments in the past 43 years. New York had the greatest population gain of any city in the nation last year. With a limited number of apartments on the market, rent regulations surely bid up their price.

Although liberals are quick to dismiss conservative arguments that rent control is at fault for much of the rental housing shortage, the system has surely contributed to it. Sam Lefrak, the country's largest landlord with over 50,000 moderately priced apartments in New York City, recently shifted most of his activity across the Hudson River to New Jersey, where he is investing $2 billion to create 40,000 middle-income apartments. "I went to the politicians in Jersey City and told them I couldn't live with rent controls. They passed a law that I would be free of rent controls forever. That's why I went across the river. Nobody can build in New York City. You will get hotels and office towers. But no rental apartments." Surely part of the reason 71,000

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A simple majority of tenants in New York are in rent regulated apartments and don't want to give them up. The city is paying the price.

condominiums have been created in New York City in the last decade is that rent control has frustrated the Sam Lefraks.

But if a developer's public pronouncements aren't convincing, then listen to what the investors say to each other. In a 1981 issue of *Mortgage Banker Magazine*—hardly a forum for public propaganda—Michael Blum, a vice president of General Electric Credit, summed up the opinion of a panel of investment bankers by stating, "We won't finance any new construction in an area with rent control. It doesn't make sense."

With evidence like this, conservatives are quick to argue that rent control is the demon behind all housing problems, but they overstate the argument. All of New York City's housing problems cannot be blamed on rent control. There are other reasons why developers are more interested in building luxury apartments and condominiums. They are, for example, more profitable enterprises. Factors such as white flight, bad urban planning that ruined neighborhoods, cutbacks in government subsidies for low and moderate income tenant housing, rapid increases in the cost of construction, and a general widening in income gaps go a long way toward explaining the housing shortage.

Still, liberals refuse to recognize that rent controls play a role in warping the housing market. Is it really that difficult to believe that developers would be less likely to build a new moderate-income apartment building if they knew the levels of rent they charged would be unpredictable and out of their hands? Developers who built apartments after the war thinking they would be decontrolled, had the rug pulled out from under them in 1969, when New York City stabilized all apartments retroactively. That's not the kind of behavior that's likely to bring builders around to do business again.

Moreover, while rents for stabilized and controlled apartments have increased significantly in recent years, they have not increased as much as the cost of maintenance and operations. So it makes sense to assume that rent controls contribute to housing deterioration. Nine percent of New York's housing stock is dilapidated, compared to a 3 percent average nationwide.

Trends such as these led Gunnar Myrdal, Nobel Prize-winning economist and the architect of Sweden's welfare state, to write that rent control "has constituted the worst example of poor planning by government lacking courage and vision."

People don't usually think of rent control as a government subsidy program because, while there are clearly some winners, it's not evident who is paying for their good fortune. The losers are those who cannot get a rent regulated apartment and must pay artificially high market rates, in the $1,000-per-month range and higher. If only 30 out of every 100 apartments have unrestricted rents, clearly those rents will be higher than if all 100 are unrestricted. In that sense those without rent stabilized apartments are subsidizing those with—including the wealthy. The cost to the taxpayers of rent subsidy for those in rent controlled apartments amounts to hundreds of millions of dollars. That's how much additional tax revenue the city would collect if rent controls did not exist.

New math

Are landlords being hurt by these regulations? Some are, but most find ways of surviving. For example, some brutalize and harass tenants into leaving their buildings so they can convert them into cooperatives or condominiums. Specialists in tenant harrassment have become New York's entrepreneurs. Take the case of 332-334 West 19th Street, where the owners a few years ago hired a management company to empty out the building. They smashed doors, beat tenants, and helped prostitutes and junkies move into empty apartments. Others let service and maintenance deteriorate to bolster their profit margin. In short, landlords make profits not by providing better services but by decreasing services; not by protecting their property but by destroying it (or standing by idly while tenants destroy it); not by building more apartments but by demolishing them; not by building trust in tenants but by kicking them out on the street.

With the level of inequity that is present in this system, the tax losses it creates for the city, and the probability that it contributes to housing

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shortages, why does rent control still exist? Because the debate over rent control is really not a matter of political philosophy over the role of government; it is a matter of mathematics. A simple majority of tenants in New York are in rent regulated apartments and don't want to give them up. The city is paying the price.

In fact, a culture of rent control has developed that rationalizes the preservation of these "good deals." It relies on the age-old hatred of the landlord. In smaller towns, people know their landlords and building owners, who are often people of modest incomes and respectable reputations who bought into a building as an investment. But in New York, landlords are seen as no better than muggers in business suits. Rent control seems to be depriving landlords of something they want, so it must be good (even when the landlord is a small investor or local church). It is a badge of honor to be a rent-controlled tenant. Mayor Koch seems to keep his apartment as a gesture to show he is just plain folks after all. His apartment is just a latter-day log cabin, a la Abe Lincoln. "I happen to think that if I do have a bargain... I'm not giving it up," says Koch. "Nor do I intend to return there for seven days every week until at least four to eight years from now. I don't know why people resent it. Maybe you pay more rent and don't like the fact that somebody else pays less."

As damaging as rent controls are to New York City, they are among the most politically secure laws around. By now, two generations of New Yorkers have grown up under controls. "Politically it's an impossible issue, not one the voters can understand, even though controls are an anachronism," says David Garth, the political consultant who has managed campaigns for Mayor Koch and former Governor Hugh Carey. "It's a standard of living that we are used to. Like we have the Mets and the Jets and the subways." Facing an interest group so huge, Democratic and Republican politicians universally have adopted a covenant of silence about the destructive aspects of rent controls. For a New York City politician to question the fairness or efficiency of rent regulations would be to give up all hope of a future in electoral politics. Privately, many of them admit the system is hopelessly flawed, but public debate has been closed. "It is political suicide to bring it up," said Maureen Connelly, who managed a city council president campaign. The New York *Daily News* recently reported that a panel created by Governor Mario Cuomo to study rent controls may recommend decontrolling apartments for the very wealthy. But officials involved have agreed to keep the study under wraps—until after the election. A recent *New York Times* poll found that 62 percent of New Yorkers believe rent controls are necessary to make sure people could afford housing. More than half of those identifying themselves as conservatives or Republicans agreed.

Losing control

On an individual basis, this makes perfect sense. Why would you volunteer to be priced out of your home, particularly when no one seems to be hurt by your good fortune? Simply abolishing controls, as some conservatives suggest, would force huge, immediate increases and tremendous dislocation for many who aren't wealthy. James Tobin, a liberal, Nobel Prize-winning economist from Yale, noted that there is a consensus in the economics profession that rent controls are "very inefficient. The only difference between liberal and conservative economists is that conservatives would like to do away with them without putting anything in their place. Liberal economists would like to come up with something more efficient."

What should be done? Communities contemplating rent controls to address housing affordability problems should concentrate on income subsidies rather than rent controls. In cases where rapid rent escalations and price gouging make rent controls necessary, they should be imposed temporarily and the rich should be excluded.

Cities in which rent controls already are entrenched have a much more difficult problem. Removing controls altogether would create pandemonium that would make the current system seem rational and fair. New York should phase out controls gradually, in a way that spares current tenants unaffordable rent hikes and harassment. Most important, government must commit itself to a massive program to increase construction of low- and middle-income housing. Depreciation for office buildings has led to so much construction that there is now an office vacancy rate of as much as 20 percent in many major cities. If government could create such a massive office building glut with generous tax writeoffs, then surely it could do the same for moderate income housing, which is, after all, more important. If liberals expended as much creative energy to find ways to construct new housing as they have defending a clearly inequitable system of rent controls, New York would undoubtedly be able to ease its housing shortage. ■

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by Alex Gibney

PARADISE TOSSED

HOW A CHANCE TO SAVE AMERICAN CAPITALISM WAS SABOTAGED AT EASTERN

In August 1985, Eastern Airlines was flying high. The airline company had rebounded from a staggering loss of $183 million in 1983 and was running solid operating profits for the sixth straight quarter. The prime cause of Eastern's turnaround was the largest experiment in labor-management cooperation in American history. It encouraged a new cost-cutting ethic in Eastern's employees that saved the company $100 million and allowed for wage concessions that saved another $295 million. Some saw the agreement as the solution to America's crisis of productivity, a model for a new cooperative American capitalism: managers and workers laboring side by side, sharing sacrifices, profits, and power, making the company vigorously competitive.

Today, Eastern is owned by Texas Air, whose flamboyant owner, Frank Lorenzo, refuses even to talk to the union leaders. Massive layoffs and pay cuts seem certain, as does a return to the kind of 19th-century-style labor relations that has burdened American industry. The fragile marriage between Eastern's managers and workers has ended in bitter divorce, with machinists union leader Charlie Bryan and Eastern chairman Frank Borman deciding they would rather give the company to Lorenzo than work with each other. "In the end Borman just threw up his hands, and Charlie Bryan decided he'd rather deal with the devil he didn't know than the devil he did," one observer explained.

Eastern's brief experience with worker participation is of urgent relevance to the American economy. As our economic competitors erode our markets, sacrifices will be needed—but no longer can they be borne solely by workers. In this country, small but dramatic success stories such as Weirton Steel, where employees prevented their steel plant from closing by buying it, and Western Airlines, where unions took sharp pay cuts in exchange for stock and positions on the board of directors, have encouraged discussion about changing fundamentally the role of workers in companies. Even some of the most traditional managers have come to think they can increase productivity by listening to their workers. Eastern Airlines, a $4 billion company with 40,000 employees nationwide, was the first test of power sharing on a massive scale. In December 1983, in exchange for huge wage concessions, Eastern gave workers 25 percent of its stock, representation on the board of directors and a significant role in running the company.

Why did the experiment fail? Many reporters following the Eastern story blamed the February, 1985 break up of the airline's labor accord on the animosity between Bryan and Borman. The decisions of these two men were pivotal, but their per-

Alex Gibney is a documentary film producer working on a film for the Public Broadcasting System on the Eastern experiment.

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Photo: AP/Wideworld

NEWLYWEDS AT A SHOTGUN WEDDING
Eastern chairman Frank Borman (l) and machinists union president Charles Bryant (r) listen as negotiator William Usery announces the 1983 accord.

sonal estrangement reflected much deeper antagonisms between labor and management that were, in turn, powerfully reinforced by other pressures. Frank Borman worried about Wall Street's disdain for the agreement and the banks' constant pressure for bigger and bigger wage cuts. Charlie Bryan, on the other hand, worried about delivering higher wages to the union members who elected him. These pressures converged at a time when Eastern most needed this cooperative approach to help face the fierce industry-wide competition brought on by deregulation. Finally, managers simply did not want to cede enough power to workers and workers were ultimately unwilling to take responsibility for the financial well-being of the company.

Monkeys in the cockpit

"I lived and breathed fighting management and Eastern Airlines," said Leo Romano, a chief steward for the machinists union at Boston's Logan Airport, describing what both management and the workers called "the wars." For ten years prior to the 1983 accord, hostility between the two groups intensified until each cared more about fighting the other than making the company competitive. Eastern added a new class of manager whose only job was to watch the machinists. In the engine shops in Miami, these managers hid inside jet engine cowlings and huddled behind two way mirrors, trying to catch workers in violation of Eastern's myriad work regulations. In Boston, there were often four supervisors watching three baggage handlers unload an aircraft. To avoid the union's jurisdiction, Eastern farmed out repair work to outside contractors, even though the practice inevitably raised the cost. "Constantly, we were at each other's throats, whether it was over a table in arbitration or down on the floor telling employees how to do their jobs," said Jeff Callahan, a labor relations lawyer at Eastern. "But you have to understand the culture of the corporation at the time. The only way you were going to rise through the management ranks was by being the meanest, nastiest, toughest guy on the block."

The company tried to improve performance by stepping up discipline and rigidly enforcing rules. The unions responded in the most destructive way possible—they followed the rules to the letter. "The more they pushed the less we did," said one Miami-based mechanic. "We got out the manual [which includes thousands of pages of technical jargon]. We just went page by page, step by step and the engines never went anywhere." Experienced mechanics capable of repairing minor engine problems in a few hours would meticulously follow manufacturer's instructions, taking the entire engine apart over several days. In New York, baggage handlers for the Eastern shuttle refused to unload other planes no matter

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how busy the airport, citing strict rules on job assignment.

The bitterness at Eastern in the 1970s was prolonged and intense—very much in keeping with U.S. labor history. When unions arose to counter the bargaining advantage of management, management often struck back with goon squads, industrial spies, layoffs and strike-breaking police patrols. The 1934 passage of the National Labor Relations Act gave unions the right to organize and bargain collectively. But they were not given any right to encroach on "managerial prerogatives," such as deciding executive salaries, investments, plant locations, and the organization of work. The act simply made the traditional labor-management conflict more civilized. Both sides still talked only about wages and benefits. Management insisted that corporate efficiency was enhanced by a strict division of labor: management did the thinking and workers did what they were told. Having no stake or say in the way a company was run, workers came to identify only with their wages. And that was fine with both sides. Labor leaders felt that cooperation was cooptation, which would only weaken the vigilance of the union.

Airline deregulation forced Charlie Bryan and Frank Borman to reevaluate their old adversarial ways. Although the 1978 deregulation of the airline industry hurt all of the large carriers, it hit Eastern especially hard. Throughout the 1970s, Eastern tried to buy labor peace through extravagant wage hikes, knowing that the higher costs would simply be passed on to the consumer through government-regulated fares. After deregulation, however, Eastern had to compete against aggressive new low-cost carriers like People Express and New York Air (a subsidiary of Texas Air) that were not saddled with the same high-priced union contracts. Salaries, wages and benefits cost Eastern 3.28 cents per available seat mile, versus .68 cents per mile for People Express. Eastern's labor accounted for over 39 percent of its expenses compared to 20 percent of People's. When People's, New York Air and Air Florida started to move into Eastern's lucrative NY/Florida market, Eastern often had to fly at a loss in order to match the fares of its competitors.

At the same time that Eastern struggled to compete, it was amassing a huge debt. Thinking that rising fuel prices could give Eastern a competitive advantage, Borman decided in 1980 to modernize Eastern's fleet. Despite losses of $17.4 million in 1980, $65.9 million in 1981, and $74.9 million in 1982, Borman spent $1.4 billion for 52 fuel-efficient planes such as the Airbus A-300 and the Boeing 757. Borman's gamble proved a failure when the price of fuel failed to rise. By 1983, Eastern's debt had reached $2.5 billion. The company was paying out $260 million annually to its lenders.

District 100 of the International Association of Machinists and Aerospace Workers (IAM), which represented 12,800 mechanics, maintenance workers and ground crews, felt little sympathy. The IAM suspected that Eastern's banks had encouraged the company to take on a debt it couldn't afford. The union discovered that Eastern and Boeing shared 12 lenders and that Citibank, one of Eastern's major banks, was also Boeing's largest lender. Boeing had been in financial difficulty and desperately needed to sell its new line of planes, the 757s. There was, said one IAM insider, a "triangle of interests" between the banks, Boeing and Eastern. If the banks could secure for Eastern a low purchase price for the 757s, everyone would benefit—except the machinists, who felt they would be subsidizing the purchase of the planes with wage concessions.

As its debt grew, the banks increasingly came to treat Eastern as the International Monetary Fund does a Third World debtor country, becoming involved in the management of the company to guarantee the safety of their loans. It was the bankers who precipitated the first crisis that led to the labor accord. In 1983 they told Borman that if he didn't wrest wage concessions from the employees the banks would refuse to relax credit terms for repayment of the old loans. Without such a relaxation, Eastern would have to default on its loans and declare bankruptcy. On September 15, Borman went to his employees and asked for $400 million in wage concessions. The machinists and the two other unions—the Transport Workers Union representing flight attendants and the Air Line Pilots Associations representing pilots, co-pilots and engineers—all refused.

But on September 20, 1983 the rules of the game changed. Continental Airlines closed down. A few days later, Continental—which, along with New York Air, was a subsidiary of Texas Air—reopened under chapter 11 of the bankruptcy code, which permits a company to operate while it figures out a way to pay its debts. As part of the reorganization a federal judge permitted Continental to cancel its high-priced union contracts. Continental President Frank Lorenzo summarily dismissed 8,000 people and slashed the salaries of his remaining employees in half.

Two days later, terrified Eastern employees sat

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"Two years ago I wanted to quit Eastern Airlines," said one Logan Airport ramp serviceman. "Now when I come to work it's like coming to work in my own shop. Eastern Airlines is mine."

in conference rooms and media centers around the country to watch a videotape of Frank Borman threatening to declare Chapter 11, "a la Continental," unless employees took 20 percent wage cuts. "In my estimation," Borman said, "you will be voting on your jobs."

The threat infuriated Eastern's unions. Much of the employees' anger was directed at Borman himself, a former Apollo 8 astronaut, and one of America's most visible CEO's. During this period Borman received so many death threats that he took to wearing a bullet-proof vest and hired police protection.

If Borman's warnings about bankruptcy were initially exaggerated, he quickly fulfilled his own prophecy. Within two days of Borman's bankruptcy speech, passengers who feared they might be stranded over the Thanksgiving holiday redeemed $2 million worth of tickets. That was cash the troubled airline badly needed to continue to operate. Eastern was close to shutting its doors.

That put IAM's Charlie Bryan in a bind. On the one hand, he knew the company was in trouble and needed relief in the form of wage concessions. The recessions of 1979 and 1982 had forced unions to recognize that holding out for higher wages as a company fell apart meant unemployment. On the other hand, Bryan's role as a union leader was not to sympathize with management's plight. His popularity with the rank and file depended on his ability to deliver wage hikes, not retire the company's debt.

Bryan, a 53-year-old jet mechanic from West Virginia, had first been elected in 1979 to end the company's "Variable Earnings Plan," which he called the "Veritable Extortion Plan." VEP was a wage giveback formula which made 3.5 percent of the employees' salaries rise and fall according to the profitability of the corporation. Since Eastern had been losing steadily, so had its employees. In 1980, Bryan recalled, he stood before a stockholders meeting and in his low-pitched Southern drawl told the audience that Eastern's employees "had donated enough wages to have bought every single share of stock at Eastern Airlines. They could have purchased their own company lock, stock and barrel. Yet they hadn't received a single share of stock. It was the old scenario of taxation without representation."

A snappy flourish of rhetoric in 1980, that notion became Bryan's bargaining position in 1983. With the help of Randy Barber, a labor consultant, and Locker-Abrecht Associates, an accounting firm, the union had conducted a thorough financial investigation earlier in the year that confirmed Eastern's dire condition. The union could now not only determine how much Eastern could afford in wages, but could learn how to play a constructive role in running the company. With this knowledge, Bryan came to the table with a new proposal. If Eastern needed wage concessions to survive, then the company would get them. But it would no longer get "taxation without representation." In wage negotiations that started in November, the union insisted that their wage cuts be treated as an investment in the company. Therefore, they wanted stock in exchange for wage cuts and a say in the way their money was spent. Borman was not pleased with the union's demands. "I'm not going to have the monkeys running the zoo," he said, with a degree of grace and tact he would ultimately bring to the implementation of the cooperative agreement.

But in the end, Borman didn't have much choice. Because the IAM had done its research, it knew how far it could push Borman. "On the one hand, we knew the banks had a hammer lock on the company and could have taken it into default," said Randy Barber. "On the other hand, we were also aware of the banks' strong financial interests in keeping Eastern aloft [because of Boeing]." The union was right. Under pressure from Eastern's labor consultant, ex-Secretary of Labor William Usery, and Eastern's banks, Borman accepted the radical new agreement. During the final financial negotiations Borman wasn't even present. Bryan hashed out the numbers with representatives from Citibank and Merrill Lynch.

On December 12, 1983, Usery, flanked by

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Bryan and Borman looking like newlyweds at a shotgun wedding, announced Eastern's new labor pact.

Whispering Joe's heat shield

"It was an awesome experience being right next to that engine, running it at high power settings, sometimes even take off power, " says Charlie Bryan, recalling his days as a line mechanic when he would tune jet engines on the tarmac. "It was like standing right next to a volcano. You could actually feel the bones in your body vibrating from all that power right there in front of you, that you were actually adjusting and had control over.

"I think if you wanted to draw an analogy to what we've evolved into [at Eastern] it's not that different."

Under the agreement, Eastern gave its employees 25 percent of its common stock, some preferred stock, and four seats on the 15-member board of directors—one for the machinists, one for the pilots union, one for flight attendants, and one for non-unionized workers. In addition, employees had profit-sharing for 1985 net earnings over $90 million and preferred stock dividends. In addition, unions received permanent access to the company books and the right to review all corporate business plans. In exchange, all workers gave wage concessions of 18-22 percent, totaling $295 million, agreed to abandon inefficient work rules and pledged productivity improvements amounting to $75 million. The average machinist's take-home pay was cut about $50 a week.

More significant than the transfer of power at the top of the organization was the shift at the bottom. "We were suddenly able to influence what items we might buy, what materials we might use, how jobs should be done, " said Bryan. "It was a process that completely changed the culture of the top-down management. It was truly a lateral movement of authority and responsibility, so that everyone was working together. And that was the term we adopted—'working together.' "

Though forced into the agreement, Borman quickly seemed to become committed to its principles. "Many of the other business executives that I've talked to told me flat out that they would rather have shut the company down than make the accomodation with the unions that we've made, " he recalled later. "But I really believe that it was the right way to go." In a bold public relations move, coordinated with the unions, Borman appeared in a new Eastern commercial surrounded by pilots, mechanics, flight attendants and ticket takers. "Who can serve you better, " asked Borman, "than the owners." He approved spending more than $1 million to train every manager how to listen to employees instead of telling them what to do—not an easy task considering managers had previously been rewarded for their authoritarianism. In fact, six months after the agreement was signed, four of Eastern's senior vice presidents, uncomfortable with the new atmosphere, left the company.

Together, the unions and management installed an employee involvement program. "Action teams" of workers and managers met to solve job-related problems. Slowly, workers who had felt disenfranchised began to believe they had both a financial stake and a say in the way the company was run. "Two years ago I wanted to quit Eastern Airlines," said Logan Airport ramp service man Al Marescalchi. "Now when I come to work it's like coming to work in my own shop. Eastern Airlines is mine."

While Eastern's management was busy learning how to listen to its workers, the IAM was teaching its members the language of business management. The union trained its members how to read budgets, purchasing forms, and vendor contracts so they could ferret out ways to save money. Going far beyond suggestion boxes or the love-your-company participation plans of the Japanese, Eastern tapped into the entrepreneurial traditions of American culture. Every person in the company was to use his or her ingenuity to figure out better ways to do things. Eastern's president Joe Leonard gushed with enthusiasm while the program was in full-swing: "Instead of using the ideas of a few managers, we're tapping the potential of 40,000 brains."

One of the most capable machinist "brains" was John "Buddy" Sugg, a raspy-voiced veteran of the union/management wars, who headed up both the "contracting-in committee," which helped bring repair work back in-house and the "Efficiency Credit Teams," which sought ways to increase productivity and cut purchasing costs. When asked about the cost savings, Sugg likes to hold up a small plastic filter. "This goes in the engine of an aircraft," says Sugg. "We used to pay $20 for every filter. One of our guys found that he could buy these things in Connecticut for 2 1/2 cents. That's a savings of $7,000 a year right there. And that's just the top of the barrel."

Eastern had previously sent CF-6 jet engines to United Airlines to be serviced. Miami mechanics insisted they could do it in house.

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"I'm not going to have the monkeys running the zoo," said Eastern's Frank Borman when the union first proposed worker management.

Within six months they reduced the labor time per engine from 485 to 168 hours, without adding any additional mechanics. This saved Eastern approximately $650,000 per year. As Robert Kuttner wrote in the *Harvard Business Review*, "on a walking tour of the sprawling Miami base one hears tales of 'Whispering Joe's heat shields,' and 'George's fan blades.' " Welder "Whispering Joe" Imperatori had saved Eastern $304,000 by developing a new way of welding heat shields, and mechanic George Henderson had saved Eastern $306,000 a year by showing how to repair fan blades at a cost of $19.20 per blade instead of buying them new for $163.80 each.

The union also dropped its most absurd work rules. Before, a gyroscope mechanic was not allowed to fix an altimeter even if there were no gyroscopes broken and plenty of altimeters that needed work. Now, said the IAM's Leo Romano, "a mechanic is a mechanic is a mechanic."

The machinists took over many of the tasks of their former supervisors. At Boston's Logan Airport, Romano, one of the IAM's toughest foot-soldiers during the labor wars, led a new campaign of self-management. In Boston, Los Angeles, and Kansas City, time cards were eliminated—and on-time attendance improved. In Boston and Kansas City, the union lead men allocated work crews, made up worker schedules, and assigned vacations and overtime. In addition, baggage handlers did all the paperwork for flights. They were responsible for preventing and explaining baggage delays and had the right to clear loaded planes for takeoff. Today, these airports regularly exceed Eastern's stringent performance standards.

The bottom line of "working together" exceeded management's wildest expectations. "When we contractually agreed to IAM's promise to find $23 million in cost-savings in 1984, I thought it was a joke," said Jose Smith, a vice president of finance. By the end of 1984, the machinists had saved the company $35 million. By August, 1985, they had found an additional $10 million. Over the full 18-month period, employees generated $100 million in improved productivity and cost savings. By the end of the third quarter of 1985, Eastern was $80 million in the black. Eastern's managers and workers were sharing information, power and profits.

Perturbed on the street

But Eastern was still a company in conflict. The cooperative agreement was in place, but the adversarial culture couldn't change completely over night, especially when pressures from competitors, creditors, and capital markets exacerbated old tensions. "I think the whole thing was dangerous," said Robert Joediecke, an airline analyst at Shearson Lehman/American Express. "When you give your employees 25 percent of the stock, you cut yourself off from public financing. Investors get chary about companies that are owned by employees and run for their own good. . . . And putting union members on the board of directors means giving confidential information to the very people who are most likely to use it against you." Attitudes like Joediecke's, along with Eastern's debt and other financial troubles, made investors wary of the stock, despite the dramatic productivity gains of 1984. The consensus on Wall Street was that Eastern had given away the store.

Meanwhile, the banks were being typically rigid. Although they forced Borman's hand to sign the 1983 accord, it was not out of a love for workplace democracy. When pressed, Citibank was willing to give on the issue of control. It was not willing to give on wages. Citibank had wanted wage cuts in 1983 and by early 1985 it wanted more. During the first eleven months of 1984, Eastern had a $168 million operating profit. But the airline's debt payments turned the bottom line ink for the year from black to red—a loss of $37.9 million. Eastern's bankers demanded a 1985 business plan that would reflect 2 percent profit in order to protect their loans.

Finally, there was the suspicion among many unionists that deep down, Borman couldn't bring himself to believe in the principles of the agree-

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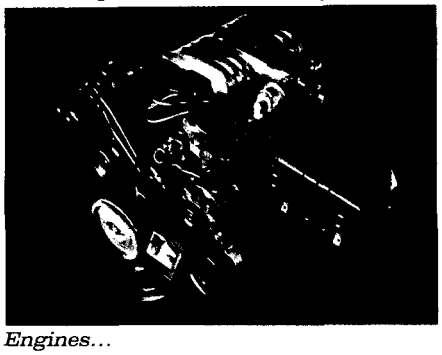
According to a nationwide survey, Lincolns, Mercurys and Ford cars and trucks are the highest quality vehicles designed and built in America.

The 220 questions in the survey covered all vital components, including the following:



Engines...

Transmissions...

Brakes...

The survey questioned over 50,000 drivers. Completed in July 1985, it covered owner-reported problems during the previous six months. The survey included vehicles as new as 1984 and those up to four years old. It served as an indicator of how the quality of Lincolns, Mercurys and Fords compared to the quality of competitive makes and models. And, as a group, Ford Motor Company products came out on top. That's the kind of quality you can expect to find in the cars and trucks we're building today.

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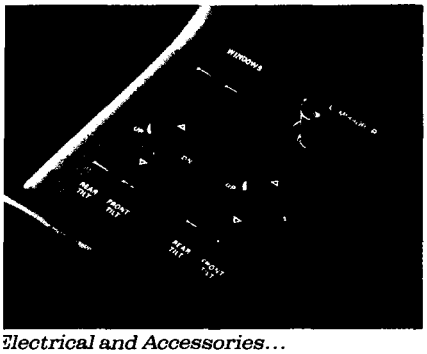
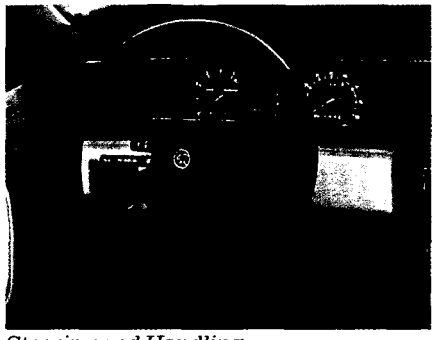
John Battiato and members of the chassis team at Ford's Edison, New Jersey Assembly Plant are among thousands of Ford employees committed to making Quality Job One.



Electrical and Accessories...



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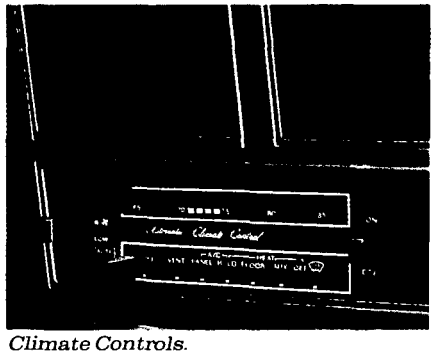

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ment. Perhaps unfairly, they pointed to his military training at West Point, and his subsequent career at NASA as evidence of his authoritarianism. To this day, Borman's nickname is "the colonel." "West Point doesn't teach you to solicit all the privates to find out how you want to go over the next hill," said District 100 vice president Russ McGarry.

John Simmons, president of Participation Associates of Amherst, spent several days observing Borman in 1985 and believes the CEO has genuine egalitarian strains. He notes that Borman abolished all symbols of executive privilege—golf memberships, the company jet, the practice of company carpenters doing executive renovations—and installed the first profit-sharing program in the airline industry. He prided himself on buying his suits off the rack and driving to work in a second hand Chevy. Simmons recalled two meetings that illustrated both Borman's authoritarian strain and his desire to reform. In January of 1985, Borman held a meeting to solicit the views of middle managers. But during the question and answer session he periodically cut off people before they had finished asking their questions. "I don't realize that I do that. I have heard so many of the questions before—I just start to answer them," he said when one manager later confronted him about it. At the next meeting, the questions were tougher and more persistent, but this time he replied with concern and grace. "And I didn't cut anybody off, did I?" asked Borman. "There were several times that I almost did but caught myself." Others, more wary of "the colonel," said the "perk bashing" tendencies were evidence of the spartan ethic of boot camp which insists that the commanding officer share the same harships as "his" men. "He wants the company to survive," said McGarry. "In his heart he believes in the people in the company. Yet he's afraid to ask for their help, because he thinks it deletes from his power."

"A treacherous act of betrayal"

Whether out of a reluctance to cede power, or because he was facing such strong pressure from the banks, Borman made the first fatal mistake that would lead to the demise of the agreement. He decided to renege on the provision in the original contract that would restore wage cuts by December 31, 1984. When that day came, Borman, without consulting the unions, unilaterally extended the pay cuts, saving the company $22 million per month.

Bryan was furious. He called Borman's decision a "treacherous act of betrayal," and filed suit against the company for breach of contract. The one intangible that was essential to making the agreement work—trust—had been broken. The wage-cut extension probably was justified on financial grounds, but by imposing it unilaterally, Borman was reasserting old "managerial prerogatives" instead of asking his co-owners, the employees, the best course to follow. Under the traditional adversarial system of labor relations trust is not necessary; it may even be a hindrance. But in an experiment of cooperation, the slightest broken promise can be fatal. By February, Eastern and the IAM managed to patch together another cooperative agreement by creating a gain-sharing program in which the workers could buy back wage concessions by finding cost savings. But the gain-sharing program ultimately made matters worse. Under the plan, the company had to increase wages each time employees came up with cost savings, dollar for dollar. Management therefore had no incentive to help the employees find savings. In fact, by September, the IAM had found so many ways to cut costs that they had earned back more than half of the 18 percent wage cut. With wage hikes scheduled for 1986 and 1987 the gain sharing program would have put machinists' hourly pay an average of $1.30 above the highest rates in the industry. The average mechanic would end up making $18.82 per hour in wages and benefits. Eastern had never counted on the machinists finding so many cost savings. They began to fight the mechanics over every penny.

Meanwhile, the other unions were increasingly annoyed by the IAM's gain-sharing because they didn't have such plans of their own. They saw IAM's wage buy-backs as unfair preferential treatment. "We had created a monster," Bryan later admitted. In September, he offered to cancel the program. Instead, Eastern agreed to restore their 18 percent pay cuts by the end of the year and the IAM agreed to moderate subsequent wage hikes to keep the machinists' pay in line with the rest of the industry.

The gain-sharing program had contributed to already existing tensions among the employee groups. It was often difficult to create a common sense of mission among three very different labor groups: the blue collar machinists, the highly-paid white collar pilots, and the predominantly female flight attendants. The flight attendants and the pilots claimed that Charlie Bryan jeopardized many labor agreements by refusing to bargain jointly with the other employee groups.

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Though Bryan's single-minded determination was responsible for creating the 1983 agreement, many question whether his obduracy—critics called him "Chairman Charlie" and the "Little Napoleon"—was well suited to building the bridges of trust needed to make the agreements last. For example, according to Simmons, Bryan "stormed out of what had been a reasonably relaxed session at a retreat with Borman and other senior managers" after an executive vice president suggested quietly that "Bryan would be easier to talk to if he didn't make speeches all the time." His stubbornness was reinforced by the militancy of his union's membership.

The leadership of all three unions discovered that cooperation with management was a political liability when the rank and file expected a more truculent posture. Because of cooperation, Robert Callahan, president of the Transport Workers Union at Eastern told John Simmons, "I will be unelectable in three years."

By the fall of 1985, worsening business conditions gnawed at Eastern's increasingly frayed accord. People Express targeted Eastern's moneymaking northeast corridor for new discount fares. United and American announced the formation of new East Coast hubs in former Eastern strongholds such as Atlanta. Frank Lorenzo's New York Air announced a new ad campaign: "We clip Eastern's Wings Every Day." Analysts predicted a fourth-quarter loss, but few were prepared for its size: $67 million. The deficit nearly wiped out Eastern's $73 million profit for the first three quarters. In fact, Eastern might have done even worse, but it was able to apply $52 million from its profit-sharing fund to its bottom line.

In November, Eastern's Joe Leonard shocked employees by calling for more wage cuts. He also infuriated union members by referring to the earlier $500 million pay concessions as "band-aids." Bryan, in turn, demonstrated the IAM's increasing level of paranoia by claiming that Eastern's management had intentionally planned poor financial performance to extort new wage concessions. He did point out that the company had lost $250 million in revenues by failing to hire enough new pilots to staff its flights, in part because it hoped to hire them later at a lower wage level. The pilots turned down the idea. Eastern was playing hard ball with both the pilots and the flights attendants, who had been working without contracts for several months. IAM viewed this as a deliberate strategy to permanently lower the wage base. As one IAM insider said, "Eastern wanted to become a Continental. They wanted a permanently lower wage base. So they devised a strategy to force a confrontation with the unions—first the flight attendants, then the pilots, and then the machinists."

Borman renewed his old appeal on wages. "Our battle is with the marketplace not with each other," he said. "The marketplace says that we need more competitive wages," In December, the company released a consultant's report suggesting that Eastern declare Chapter 11 to void its union contacts. Not long after, Eastern instructed its main investment banker, Merrill Lynch, to approach Frank Lorenzo, to see if Texas Air would be interested in buying Eastern. The idea, one of Eastern's directors told *The Wall Street Journal,* was a "pincer-play to put the unions under enormous pressure" to choose between new cuts, Chapter 11, and the vigorously anti-union Frank Lorenzo.

The unions responded with their own pincer play. United by Eastern management's new bellicosity, the three employee groups hired Skadden, Arps, Slate, Meagher, & Flom, a prominent mergers and acquisition law firm, to explore the possibility of joining with an outside party to buy Eastern. All three union leaders advised their members to buy Eastern stock. Eastern's board must have taken the effort very seriously; they soon passed a poison-pill provision in the company's by-laws, which effectively prevented a hostile takeover—even by employees.

Meanwhile, Eastern's banks gave an ultimatum: the company would have to extract a permanent 20 percent pay cut from all its employees by February 28, or face default on all of its loans. On January 20, Eastern laid off 1,000 flight attendants and unilaterally cut the wages of the ones that remained. The pilots and flight attendants, both working without contracts, set a strike deadline for March 1, the day after the bank deadline.

The final confrontation took place on the weekend of February 21, in a dramatic board meeting and a series of all-night wage negotiations in a conference room in Eastern's Miami corporate headquarters. On Friday, Eastern told the union representatives that Frank Lorenzo's Texas Air had made an offer to purchase the company. In fact, it later turned out, Eastern had *paid* Lorenzo $20 million to make the offer. Rather than face the prospect of dealing with Lorenzo, both the pilots and the flight attendants agreed to take 20 percent pay cuts. But the IAM's Bryan refused to make any pay concessions.

As the deadline for a decision drew near—Lorenzo had said that he would withdraw his of-

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fer after Sunday night—the board meeting erupted into a battle between Borman and Bryan. When it seemed certain that Bryan would not reopen the IAM's contract, Borman yelled across the table: "I'm going to tell the whole world that you destroyed an airline." Bryan shot back, "And I'm going to tell the whole world that you did. So where does that leave us?"

Close to midnight on Sunday, Bryan agreed to take a 15 percent pay cut—provided that Borman resign. The proposal was briefly debated after Borman voluntarily left the room, and then rejected. "We couldn't do it to Frank," said one director. Two hours later, with the employee representatives in opposition, the board voted 11 to 4 to sell the airline to Texas Air.

Flippin' burgers at McDonalds

The sale to Texas Air must be approved by the Department of Transportation and the president before it is finalized, but it probably will be. Eastern and the machinists are now suing each other over the contract dispute. At the same time, the union is searching for a takeover partner to buy back the company. But despite the union's offers of pay cuts to possible buyers like Jay Pritzker, the president of Braniff, it seems unlikely that any outside proposal can overcome the lockup provisions of the Texas Air deal. Meanwhile, Eastern's financial troubles continue and the federal government has fined the airline for alleged safety violations, which could well have been caused by the demoralized workforce.

By May, a new labor war had started. Frank Lorenzo called the machinists "fat cats" and said their "wage rates are absurd." When Bryan sent a telegram to Lorenzo asking for an opportunity to discuss Eastern's problems, Lorenzo responded, "I don't talk to union leaders."

Eastern didn't have to shift from an agreement in which managers shared power and profits with workers to one in which they wouldn't even talk to them. Mistakes were made along the way that undermined the spirit and letter of the agreement. Borman's decision to unilaterally extend the wage cuts without consulting the workers was by far the most grievous blunder. And Bryan's decision not to give wage concessions just before the sale to Lorenzo didn't serve the interests of either his members or the company. "When the bloodbath comes to Eastern—either this summer or next winter—Charlie's membership may wonder if he served them well when their wages have been slashed and half his workforce is flipping hamburgers at McDonalds," said John Simmons.

But the agreement was ruined by more than merely the mistakes of the two men. The problems were more fundamental. Despite all the cooperative rhetoric, management still viewed labor as a production cost. "The only thing that stands between us and the profits we need to survive are our non-competitive labor costs," president Joe Leonard said. Meanwhile, despite their role in forging the agreement, banks were interested in only one thing: immediate wage concessions. Even after the cooperative approach had clearly improved the health of the company, making it more likely that it could thrive in the highly competitive airline industry, the banks virtually guaranteed the collapse of the accord by pressing for another round of concessions.

Charlie Bryan, despite intense competition from low cost competition, clung to the belief that high wages could be maintained solely by increasing productivity. And his inflexible line position on wage concessions in the end was probably hardened by the militancy of his union. As one IAM advisor puts it, "Even if [Bryan] thought Eastern's management was better than Texas Air, he couldn't have sold it to his membership. His worst enemies showed up the next day with Bryan buttons on. That's how strong the sentiment was. The message he was getting from above and below was 'don't give 'em a goddam thing unless Borman's gone,' This is a democratic union."

For workplace cooperation to succeed, workers and managers have to learn to care about more than just their own bottom lines—profits and wages. We can only hope that CEO's who experiment with the cooperative approach in the future will learn from Frank Borman's story that they will injure their company—and American industry's ability to compete—when they jettison worker participation at the first sign of financial trouble. Similarly, employees need to learn from the mistakes of Eastern's workers, many of whom will soon receive wage cuts or get fired, that it pays to care about the financial well being of the company—even when a legacy of hostility between labor and management makes that difficult.

Workplace cooperation can work; the 1983 accord saved Eastern. But to work, employees and managers must abandon the adversarial tradition that has proved so destructive to American capitalism. We need to establish a new tradition in the workplace—a tradition of mutual trust and shared enterprise in which managers forfeit power and become accountable to workers, and employees are willing to accept the risks along with the rewards of participation. ■

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TIDBITS AND OUTRAGES

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DOES IT COME IN A VOLKSWAGON?

In a recent issue of *The Nation*, Barwood, Inc. advertised its "Limousine liberal" limousines. "In our elegant, non-stretch Lincoln Town Cars you'll never be peeped as a model-dater, influence peddler. . .or funky zero."

◆

LUNG CANCER BY LAURENT

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BUT DO THEY MAKE BULLET-PROOF PANTY HOSE?

Progressive Apparel Inc. has come out with a new line of "Escort Undergarments." The Virginia company is marketing soft body armor "Developed to repel ballistic threats from small arms/hand guns."

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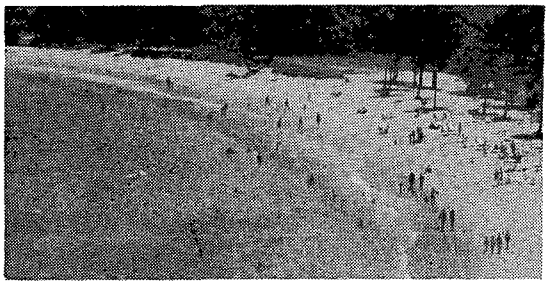

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WHAT DID HE KNOW AND WHEN DID HE KNOW IT?

After successfully lobbying for legislative changes to allow Texas Lottery Division employees like himself to play, Ladrow Bilker went on a tear: he is the only three-time winner in Texas to date.

◆

DRIBBLE 101

In a *New York Times* article on St John's University basketball star Walter Berry's decision to turn pro after his junior year: "He did not heed the advice of some of the general managers and pro scouts who advised Berry. . .to finish college. They felt another year in school would help him to develop his outside shot and improve his man-to-man defense."

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Friends, there comes a time in a congressman's career. . .

when he feels he must stand up and be counted. . .

by standing firm on a position that may not be popular in certain quarters.

And I know my opponents will try to make political hay and undermine my efforts with treachery and subterfuge. . .

but I must come out today and state without equivocation or hesitation that. . .

terrorism is really bad.

LaMouche

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FOR IMMEDIATE RELEASE:

FOUR WAYS TO SELL YOUR SENATOR

by Steven Waldman

In the 1950s, there were only a handful of press secretaries on Capitol Hill. Today there are about 750. How do they keep busy? They write press releases—hundreds each week, thousands each year.

Since there is not enough real news to sustain this enormous outpouring, imaginations strain to meet the challenge of "what can we put in today's release?" In April, for example, Rep. Dan Glickman's press secretary put out a release that revealed for the first time to a breathless public the name of one of the congressman's summer interns. "I'm looking forward to having Pat in the office," was just one of its meatier quotes. "I'm sure she will be a tremendous asset and will bring a fresh perspective to the issues we face."

With material like this to choose from, it's not surprising that major news organizations immediately throw away 99 percent of the press releases they receive. This makes press secretaries nervous. If they want to avoid the garbage, they must capture the reader's attention fast.

Thus Rep. Les Aspin's press secretary proclaims, "Aspin Says Reagan Guilty of Felony Murder of Defense Budget," and Rep. Thomas Downey's writes of the valued added tax, " 'VAT is Devil's Work,' Downey Says." Some of these attempts at snappy prose misfire, as did this effort on behalf of the senior senator from Wisconsin: "Proxmire Hearing to Focus on Whether Air Force Witness Gagged During Price Markup."

But not all press secretaries work for members who covet national recognition. Indeed, many congressmen don't care about the national press at all. What they want most is to nurture and feed the newspapers and television stations in their districts. Their goal is not fame but reelection. These press secretaries need only follow a few basic principles of press releasery to practically guarantee eternal job security.

Steven Waldman is an editor of The Washington Monthly.

A star is born

The first principle is Make Sure Your Boss Likes the Release. Sometimes you may feel that in the interest of credibility it is better to soft-pedal the adjectives. But if the senator wants to be "bold" and "daring," bold and daring he must be, even if fewer papers print the release. The papers can't fire you; the senator can.

The second principle, closely related to the first, is The Importance of Seeming Important. Even the lowliest member wants his constituents to think of him as moving among the mighty, gravely participating in the inner councils of state, sagely advising presidents, speakers, and cabinet members. Thus this recent release proclaimed: "U.S. Rep. James A. Traficant Jr. today called on the Supreme Court to 'uphold the basic tenets of our Constitution. . . .' " The second paragraph explained that Traficant, one of the 12 congressmen who filed the anti-Gramm-Rudman suit, "appeared before the Supreme Court during the oral arguments." Traficant did "appear" before the Court, much as you might "appear" before Dwight Gooden by attending a Mets game. He was sitting in the audience.

Some press secretaries aim to impress by show-

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James Traficant issued a press release saying he had "appeared before the Supreme Court during the oral arguments." Traficant did "appear" before the Court. He was sitting in the audience.

ing that their boss's legislative reach is worldwide and immediate. Press releases such as "Bennett to Put U.S. on 'sound footing' in Nicaragua" and "AuCoin/Durban Bill Will Reduce Increased World Terrorism" demonstrate a certain modest self-confidence citizens want in their representatives.

Another way for a legislator to convey his importance is simply by announcing that he is a leader. "House Leaders Urge President to 'Stand Fast' on Contra Aid." The "leader" who issued the press release is Rep. Bob McEwen, a third-term Ohio Republican congressman with no leadership position, who wrote a letter to the president and got 25 others to sign it. Rep. Ron Packard issued a press release when he was elected vice chairman of the California Republican delegation. Packard was humble. "I'm extremely pleased to be singled out for this honor by my Republican colleagues," Packard said in the release. Sound impressive? "It's mostly an honorary post, to be perfectly honest," says Gary Malone, his press secretary. The function of the vice chairman is to lead the discussion during bi-weekly lunches in the event that the chairman dies or becomes incapacitated.

A slight variation is to pretend that a routine event is actually a major demonstration of the member's power and influence. A release from New York City Rep. Mario Biaggi, with a bright red "News" written on top of the page and a "For Immediate Release" below, announced: "Biaggi Reappointed to House Aging Committee." It even included a quote from House Speaker Thomas P. "Tip" O'Neill—"I have every confidence you will continue to serve with distinction." Actually, no one ever has been denied reappointment to this come-one-come-all 65-member committee.

Factors ranging from an innocent pride in the hometown boy's success in Washington to the need to fill the hole opposite the junior high lacrosse scores often cause local papers to print releases verbatim. At the same time, the growth in the number of press secretaries has been accompanied by an equally impressive growth in the number of out-of-town newspapers that have Washington correspondents. There are now 1,800 reporters registered just in the daily congressional print gallery. They need something to send back home. Press releases, often sufficiently rewritten to maintain the reporters' self-respect, provide a solution to their problems. Indeed, there is such perfect mutuality between press secretary and the out-of-town correspondent that the classic question of the chicken or the egg arises: no one remembers which came first.

Oysters and pork

The third principle adhered to by the successful press secretary is Reelect the Messenger. One of the great advantages of incumbency is that you get to announce things: big defense contracts, little judgeships, projects you worked to secure, and policy changes you read about in the newspapers. Each announcement, directed primarily at the local press, contributes to the general impression that Your Congressman is Working for You. Press releases bear two basic types of announcement: 1) "Look What Mama/Papa Brought You" and 2) "I Read the Newspaper Before You Did."

"Look What Papa Brought You" might also be called "Serving the Pork." It is the art of announcing federal programs that benefit the member's district in a way that suggests the member deserves great if not exclusive credit. "Callahan and Denton Announce Grant for New Oysters," gives the impression that Rep. H.L. "Sonny" Callahan and Senator Jeremiah Denton had lobbied feverishly the National Oceanic and Atmospheric Administration to grant their states $872,000 for implanting larval oysters in vacant clam shells. Actually, they just got wind of this pearl before anyone else.

Republicans enjoy a distinct advantage in this game because several agencies have an informal policy of notifying them before they notify Democrats. New York's Alfonse D'Amato, for instance, announces just about every grant that comes to New York City, because all but two of the delegation's 14 members are Democrats. He often tells the press about the grant before the agency has notifed the congressman whose

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district is affected.

The grant distribution process is a lot like a pasta maker. The agency announces it's giving out a large lump of money and alerts the senator. The legislator takes that huge lump of dough, works it over, and in a press release squirts it out in smaller strands, a few hundred thousand here, a few hundred thousand there. For example, when the Federal Emergency Management Agency announced $1.3 million in emergency food and shelter grants, Democratic Senator Don Riegle of Michigan issued a press release naming the 35 counties in his state that would receive money. Riegle had nothing to do with who got what, but because the release was under his name and contained a county by county breakdown, the senator was able to splash his name in articles all over the state. "Riegle Announces Emergency Food, Shelter Funds for 59 Michigan Counties; Saginaw County Receives $100,000 Plus," trumpeted the Chesaning *Courier* in a typical headline.

The "I Read the Newspaper Before You Did" or the "Sun Set Yesterday, Congressman Announces" press releases are those in which legislators coyly associate themselves with a well-publicized decision or event simply by announcing it again on their own stationery. "House Committees Reject Military Aid to Contras" one headline read. Associated Press? *The New York Times*? No, Rep. Vic Fazio of California. The first paragraph reads just like a news story might. "The powerful full House Appropriations Committee rejected the administration's request for $100 million in military aid to the contra guerrilla forces attempting to overthrow the Sandinista government of Nicaragua." The only difference is that in the second paragraph, instead of quoting, say, the chairman of the full committee or even the chairman of the appropriate subcommittee, it quotes the committee's 22nd ranking member, Vic Fazio.

Flash: Terrorism Bad

React Fast with a Quotable Sentence is the press secretary's fourth principle. Here the aim is to get a free ride on a breaking news story, placing the member squarely on the side of the angels. " ——— Condemns Terrorists" has been this year's favorite. Others risked their careers with courageous declarations such as "Garcia Expresses Concern Over Ethiopian Famine" and Richard Gephardt's "Endorsement of Philippine Democracy." The quotable sentence is a necessary part of such a release precisely because everyone else is condemning terrorists and supporting democracy. There must be something to make the congressman stand out. The quotable sentence does not have to be uttered by the member. Often it is manufactured by the press secretary, usually with good reason. Some members are noticeably ineloquent. An example is Bill Green, a congressman from New York City. When he was recently quoted as saying "The fat was removed from most domestic programs long ago, now the flesh is being stripped away to be fed to an insatiable military," it was a cinch that the words and music were provided by his press secretary. Other press secretaries prefer breaking onto the news pages not by being catchy, but by being bold. "There is no justification for the assassination," Garcia said in his "Garcia Condemns the Assassination of Mrs. Gandhi" release, apparently undaunted by the pro-terrorism lobby.

Fabricating quotes is so widely accepted that in the course of researching this article I was told by three press secretaries that I could attribute made-up quotes to them.

What I meant was. . . .

Because "react" stories must go out fast, prudent press secretaries usually have words at the ready in their mental computers. If, for example, the reaction is to be positive, the secretary can immediately scan his list of favorite verbs, and choose from "hails," "praises," and "welcomes." In fact, in a recent sample of positive react releases, I found "praises" used 25 percent of the time, followed by "hails" and "welcomes" at 14 percent each.

Sometimes legislators are better off not issuing press releases, particularly when they are guil-

Fabricating quotes is so widely accepted that in the course of researching this article three press secretaries told me I could attribute made-up quotes to them.

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THE WASHINGTON MONTHLY

Journalism Award

for March 1986 is presented to

George Church, Anne Constable, Russell Leavitt, Michael Riley

Time

"Sorry, America, Your Insurance Has Been Canceled," skillfully sorts out the propaganda from the facts surrounding the liability crisis. Unlike series in *The New York Times, The Washington Post* and other publications, this article examined the data and assumptions used by both insurance companies and the trial lawyers and clearly explained the complicated set of changes in insurance company behavior and tort law that led to the crisis.

and to

Norman Jones, Kenneth Dreyfack, Otis Port, John Wilson, Judith Dobrzynski, Richard Brandt, Joan Berger

Business Week

"The Hollow Corporation" does more than compile the familiar statistics on the decline of manufacturing; it explains how that decline has reshaped U.S. business and makes concrete suggestions on ways to turn that decline around. Most compelling is the article's depiction of the post-industrial corporation and the problems it will cause the U.S. economy.

The **Monthly Journalism Award** is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. Nominations for any newspaper, magazine, or radio or television station in the country are welcome. The subject can be government in its federal, state, or municipal manifestation.

ty of whatever it is they are complaining about. Consider Nebraskan Senator James Exon, who committed the same mistake twice in the same week. On March 11 he issued a statement on stationery with "News Release" written in inch-tall lettering, praising the president for an increase in Farmers Home Administration loan funds. The release said, "Exon was the first member of Congress to publicly direct attention to the shortage of FmHA loan funds." The next sentence was, " 'I don't care who gets the publicity, the problem has been partially solved,' Exon said." Two days later he issued a release calling on the Department of Agriculture to stop wasting money on mailing out unnecessary reports. "I must assume it is supposedly a public relations tool," Exon said. "It is an expense that taxpayers would not approve." Think about it, senator.

Senator Jeremiah Denton learned the pitfalls of press releasing the hard way. The conservative Alabaman was the only senator to vote against a resolution congratulating Corazon Aquino for becoming president of the Philippines. Denton's office issued a statement explaining that the senator voted no to protest the lack of time to consider the resolution. "The entire period for debate was less than 20 minutes." Later, an angry Denton called the Associated Press to say he hadn't authorized the press statement and that his staff aide "really screwed me on this thing. When I just read this release was the first time I knew there was any goddamn debate that took place at all," Denton said. "So there he [the aide] is trying to shield himself from not having let me know that there was a debate going on this subject. But I'm the senator before the world on this vote. . . ."

Shortly after the AP story hit the wires, a Democratic Alabama state legislator introduced a resolution condemning Denton for using the Lord's name in vain. To head off a vote, Denton did what any senator would: he issued another press release. "I profoundly regret my use of such language," he said in the release. "No one is more aware, nor more critical of my shortcomings than I am. I will increase my efforts to correct those shortcomings and to eliminate this type of incident in the future." That defused the censure movement in the Alabama legislature, but created one last problem. Most of the Washington press corps had been unaware of the incident until Denton's office dropped a copy of the second statement in the Senate press gallery.

This incident should teach a lesson to press secretaries all across Capitol Hill. Sometimes it's better not to issue a press release at all. ■

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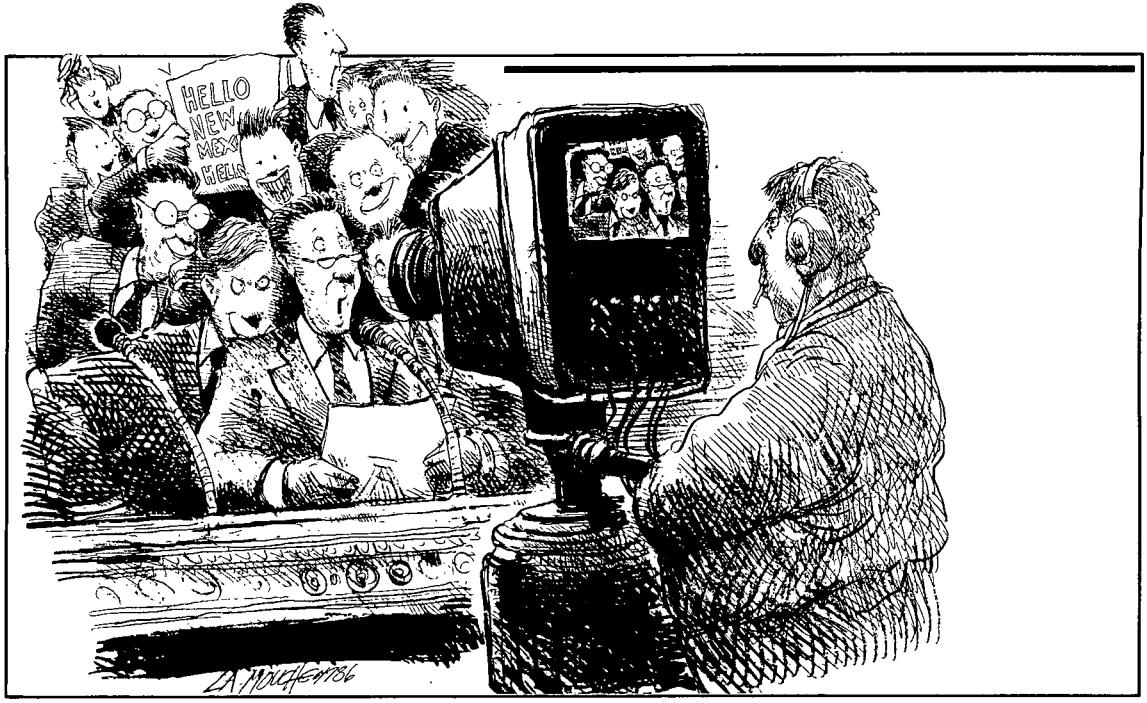

LaMouche

LIVE FROM CAPITOL HILL IT'S...

PICKING COMMITTEES IN THE BLOW-DRIED AGE

by Stephen Hess

When most of us think about why a senator chooses to serve on one committee or another, a variety of motives come to mind. Perhaps the senator wants to pursue a subject that has always interested him. Daniel Patrick Moynihan, the Democratic senator from New York, who examined the problem of poverty as a Harvard professor, now sits on the subcommittee on Social Security and Income Maintenance Programs. Or perhaps a senator wants to be sure his state has a voice in a certain area that is vital to its economy. Thus Jesse Helms, the Republican from North Carolina, chose in 1985 to retain the chairmanship of the Agriculture Committee to better defend his state's tobacco farmers rather than become chairman of the Foreign Relations Committee. Other committee assignments guarantee the respect of campaign-contributing PACS.

But there is another important reason why senators choose the committees they do: where you sit determines how often you will be photographed. Getting on the right committees is crucial to any senator who wants to get the attention of the Washington press corps—especially the television networks.

When a committee makes news, its members make news. Consider an article by Rick Atkinson and Walter Pincus that appeared on the front page of the *The Washington Post* on May 4, 1984, under the headline, "Pentagon Lists Budget Cuts":

> In testimony before the Senate Armed Services Committee, [Defense Secretary Caspar] Weinberger made no effort to hide his regret at the cuts, and when Senator J. James Exon asked where further cuts could be made....
>
> But Senator Carl Levin told Weinberger, 'You come up here saying every year that if we cut one dollar....'
>
> Senator Sam Nunn, a Senate leader on defense matters, pulled him up short on that issue....

Stephen Hess is a senior fellow at The Brookings Institution. This article is adapted from his book, The Ultimate Insiders: U.S. Senators in the National Media. *© 1986 The Brookings Institution.*

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Senator John W. Warner, a former Navy secretary, questioned the cut of an attack submarine. . . .

This hearing was also covered by ABC, CBS, NBC, CNN, and C-SPAN.

An inspection of the worksheets kept by the Senate radio and television gallery shows that between February 1979 and June 1984 the best committee for the media hound to be on was Foreign Relations, covered by 522 network cameras. Foreign Relations has traditionally been the prime Senate incubator of presidential aspirants; since 1953, its members have included Robert A. Taft, William Knowland, Hubert Humphrey, Frank Church, Stuart Symington, Eugene McCarthy, Edmund Muskie, George McGovern, Howard Baker, John Glenn, Alan Cranston, and John F. Kennedy. Some of its power has ebbed—if only because we've kept out of a full-fledged war during the past decade—but Foreign Relations still remains the locus of congressional activity in the area that Washington journalism finds most newsworthy.

The next best place for a senator to get noticed is Judiciary (252 cameras). In recent years, Judiciary repeatedly has made news because of its jurisdiction over civil rights bills, anti-crime legislation (including such questions as the death penalty and the insanity defense), proposed constitutional amendments (the equal rights amendment, school prayer, abortion), and immigration reform.

Ranking of Senate Committees by Number of Television Cameras Covering Them

Committee	*Number of Cameras*
Foreign Relations	*522*
Judiciary	*252*
Budget	*156*
Governmental Affairs	*152*
Appropriations	*141*
Labor and Human Resources	*134*
Joint Economic	*133*
Armed Services	*131*
Energy and Natural Resources	*120*
Finance	*98*
Banking, Housing, and Urban Affairs	*97*
Ethics	*82*
Commerce, Science, and Transportation	*61*
Environment and Public Works	*60*
Agriculture, Nutrition, and Forestry	*43*
Aging	*23*
Intelligence	*22*
Rules and Administration	*20*
Small Business	*6*
Veterans' Affairs	*1*
Indian Affairs	*0*

Source: Senate Radio, Television, and Press Gallery

The fastest rising seat of influence in terms of media attention—with 156 cameras, now in third place—is the Budget Committee. Its importance has grown along with the federal deficit. I should note, too, that these figures understate its present popularity. Created in 1974, the Budget Committee was barely noticed by cameras until Ronald Reagan and David Stockman launched their budget-cutting crusade in 1981. It is followed by a perennial favorite of the press corps, the Governmental Affairs Committee (152 cameras), once known as Government Operations, which has broad authority to investigate (but not legislate) and is therefore especially involved in finding waste and malfeasance in the president's agencies. It may be a sad comment on our times that Ethics, with 82 cameras, is more than halfway down the list of 21 committees. In spite of the flurries of attention accorded such environmental stories as Three Mile Island and Love Canal, the Environment and Public Works Committee got only 60 cameras. Indian Affairs ranked dead last; not one network camera found its way into a hearing during the five and a half years surveyed.

Of course, these rankings do not reflect the ebb and flow of network attention over time. Seventy-four cameras covered Energy Committee meetings during the oil crisis in 1979, when Jimmy Carter was trying to persuade America that conservation was "the moral equivalent of war"; in subsequent years the coverage fell sharply. Similarly, more than half of the cameras that came to the Rules Committee were there in 1981, during deliberation over an issue of particular interest to the networks: whether there should be TV coverage of the Senate floor. All of the Ethics Committee's cameras focused on two cases: Senator Herman Talmadge's financial improprieties (1979) and Harrison Williams's abscam troubles (1980 and 1981).

National media potential counts heavily for some senators when they choose committee assignments. A chairman of the Environment and Public Works committee will have considerable power within the Senate but few mentions on the evening news. Take Jennings Randolph, who headed the committee (then known as Public Works) until the Republicans gained control of the Senate. Writing in these pages ("How to Make the Front Page," October 1978), Joseph Nocera

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When Senator Joe Biden was asked what he felt accounted for his newsworthiness, he replied without hesitation, "It's the committees, of course."

observed that Randolph "is a master grantsman for West Virginia, creating dams where there was only river. . . . [But] to get great press you have to create news, and that's a different matter entirely. None of this quiet, behind-the-scenes stuff that Jennings Randolph prefers." The numbers bear out Nocera's assessment. Randolph ranked eighty-second among his peers in mentions on network television news during 1973-1974. The man who succeeded him as chairman, Robert Stafford, enjoyed somewhat higher visibility, but still ranked only fifty-third in 1983.

Sitting on a committee ignored by the national press corps does not necessarily mean you won't get press coverage. The local media have reporters in Washington to make sure that actions that directly affect Main Street are covered also. And while Jennings Randolph may not have been a regular on the network news, the public works projects he brought home to West Virginia certainly got the local media attention that helped him stay in Congress for 52 years.

But senators who want to move into the national spotlight have to adjust their sights. When Bob Dole switched from Agriculture to Finance —a move that was not popular with Kansas farmers—he became more nationally newsworthy. That undoubtedly helped him in his successful bid to become majority leader and may strengthen his chances of winning the presidential nomination. When I asked Joseph Biden what he felt accounted for his newsworthiness, he replied without hesitation, "It's the committees, of course." In 1983 and 1984, Biden was a member of the three most televised committees—Foreign Relations, Judiciary (where he was the ranking Democrat), and Budget—as well as the Select Committee on Intelligence.

Other familiar faces also have chosen their committees wisely. Orrin Hatch is chairman of Labor and of the Constitution subcommittee of Judiciary and serves on Budget and the Select Committee. Howard Metzenbaum's committees are Budget, Energy, Judiciary, and Labor; and Charles Mathias is on Rules (chairman), Foreign Relations, Governmental Affairs, and Judiciary. Conversely, less familiar faces may owe their national obscurity in part to the fact that they don't sit on the heavily televised committees. Among those who do not belong to the networks' top eight committees are David Boren, Wendell Ford, Chic Hecht, John Melcher, David Pryor, and Malcolm Wallop. Photographs of these senators are available on request from their offices.

In the past, ambitious Senate investigations garnered enormous publicity. Estes Kefauver, for example, became a contender for the 1952 Democratic presidential nomination largely because of his 1951 chairmanship of a committee investigating organized crime. Kefauver's committee hearings even won an Emmy. The Army--McCarthy hearings were the riveting drama of the 1954 television season and helped cause McCarthy's censure by the Senate. Chairman John McClellan's examination of labor racketeering, with Robert F. Kennedy as chief counsel, was well covered between 1957 and 1959. Such investigations aroused anxieties during the early days of television that Senate committee rooms would become home-screen circuses. Yet after the 1950s only a few hearings garnered publicity on this scale. The most prominent exception was the Watergate hearings during the summer of 1973. Viewers in more than 47 million homes became fascinated by the personalities of the senators doing the questioning—Chairman Sam Ervin, the country philosopher from Harvard Law whose eyebrows danced while he grilled the witnesses; Howard Baker, forever asking "what the president knew and when did he know it," who suddenly pulled ahead of Edward Kennedy in a Harris poll trial heat for president; Daniel Inouye, who, during one witness's testimony, made the mistake of muttering into an open mike, "What a liar"; and Joseph Montoya, whose questions, Art Buchwald observed, provided an opportunity for viewers to run to the bathroom.

Media opportunities like those provided by Watergate are rare, however. TV stardom for a senator these days means a few seconds on the network news—but that may be enough to affect a senator's choice of committee assignments.■

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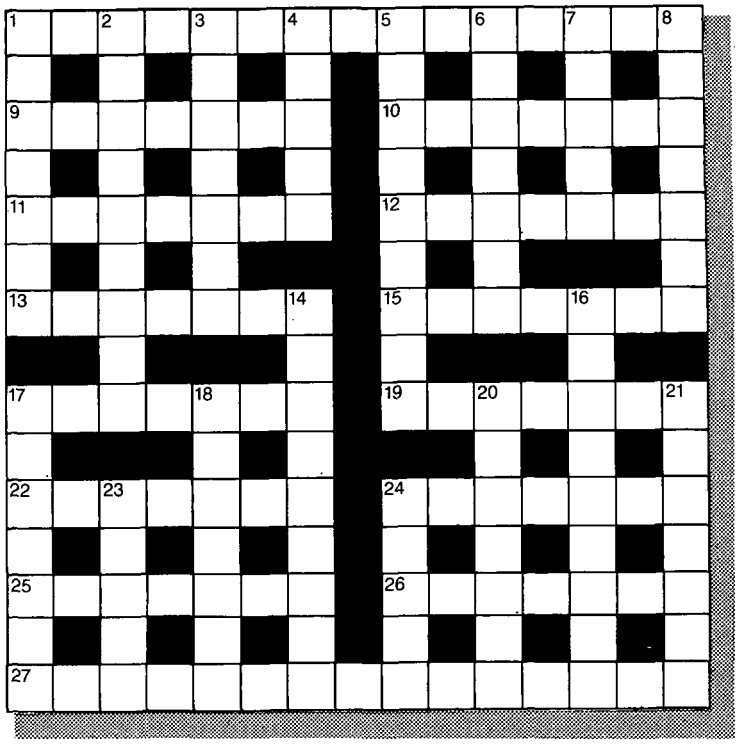
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



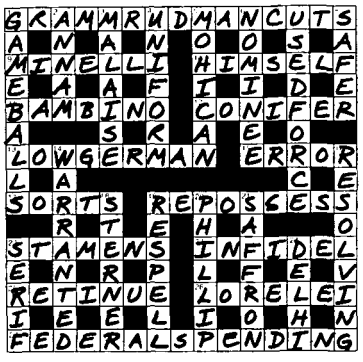
ACROSS

1. Roughly cancel a dice turn for major mishap. (7, 8)
9. Say again "Roman road consumed." (7)
10. Directs attention to repaired D.A.R. vest. (7)
11. Airplane keepers enthusiastically sang "Rah!" (7)
12. Country road ran irregularly. (7)
13. Felons confused, more hurt, about pellet. (7)
15. Planted area sketch around Queen. (7)
17. Placed glob on a sausage. (7)
19. Fashion stripe around love for quick answer. (7)
22. Mediterranean-type has pins, will travel. (7)
24. Supplied mysteriously a red, *etc.* (7)
25. Part of car text misread. (7)
26. Twists ropes around 51 backing wing part. (7)
27. Constructed Irene's death mill from 1 Across. (5, 4, 6)

DOWN

1. Negative alternative therein. (7)
2. Only Herb turns around following carbon catastrophe. (9)
3. Come out and mix mean tea. (7)
4. Movie dances? (5)
5. Establish company around current letter. (9)
6. Unfriendly alien in vineyard plot. Why not? (7)
7. Railroad carries eggs up? Just the opposite by mistake. (5)
8. Man of will who loses head still keeps property. (7)
14. Sight pate mix on Roman menu. (9)
16. Rail at USA irately in Southern Hemisphere. (9)
17. Difficult BA's test is a dog! (7)
18. Face shimmering sea mirage. (7)
20. Organized rounds for unusual Los Angeles sport. (7)
21. Stayed around confused Red nude. (7)
23. Later upset at ref. (5)
24. Cassette without group class. (5)

Answers to last month's puzzle:



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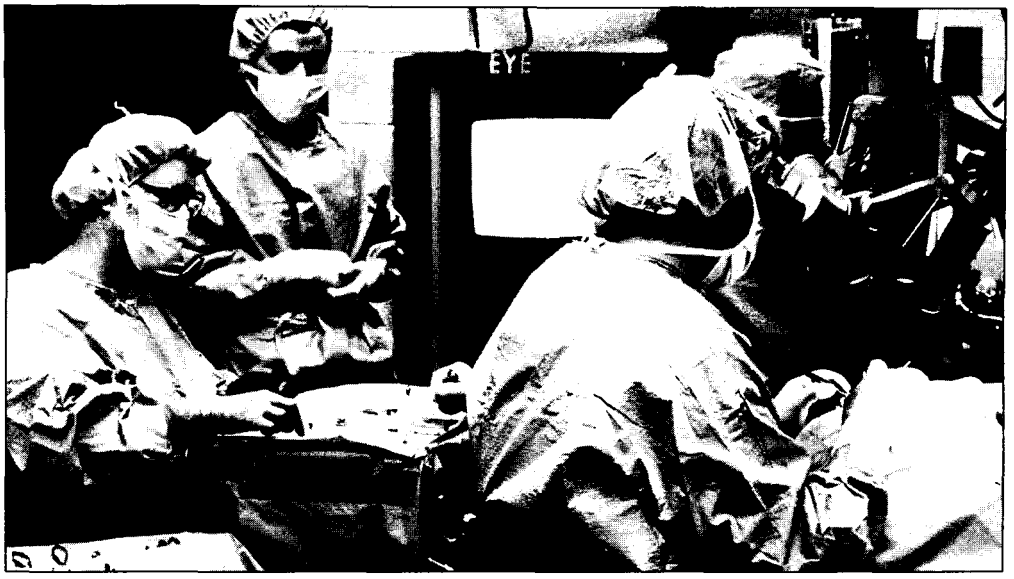

CUTTING COSTS, NOT CARE

ROCHESTER HOSPITALS TRY COOPERATION INSTEAD OF COMPETITION

by Erik Gunn

The ugly side of health care cost-control surfaced last year during a U.S. Senate committee hearing on Medicare's two-year-old system for providing the elderly with hospital care. The committee, chaired by Pennsylvania Republican John Heinz, uncovered the case of a 68-year-old man who had been hospitalized for vomiting caused by a hiatal hernia that had also worsened his chronic emphysema. The patient was discharged eight days later, before he fully recovered. The early discharge, the committee reported, was prompted by the doctor's fear that the patient would be responsible for paying the balance of his bill not covered by the Diagnostic Related Grouping (DRG)—the Medicare program that pays hospitals a flat fee based on a patient's diagnosis. When the patient said he had no money, he was sent home.

He died in his driveway.

Despite this and other horror stories, DRGs and other programs aimed at curbing health care costs through competition are increasingly popular. Corporations are signing up their employees in Preferred Provider Organizations—doctor groups and hospitals that promise to hold down their bills in return for the right to care for a block of patients. Health Maintenance Organizations (HMO) are competing with traditional insurance plans by cutting costs through reduced hospital stays and by covering more outpatient treatment, including regular doctor's office visits not covered by traditional insurance. Where the financial incentives once led doctors and hospitals to give as much treatment as possible—whether it was needed or not—they're now rewarding the health care providers who do less. Perhaps the greatest spurs to competition have been the DRGs.

The rise of competition has begun to rein in health care costs. Hospital occupancy rates have dropped for the last two years and will probably continue to do so this year. Former Health, Education and Welfare Secretary Joseph Califano championed the accomplishments of the marketplace in shaving the health care dollar in a recent *New York Times* article: "[T]he spirited air of competition is for the first time swirling

Erik Gunn has been a reporter for the Rochester Democrat and Chronicle.

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through the health industry." Business, government, and unions, he continued, are "changing the way doctors, hospitals, and other providers are used and paid, and reshaping financial incentives that have encouraged patients to seek unnecessary care. And a host of new health care providers is scrambling to get their business."

There's no question that many of the changes in health care are long overdue. As Califano points out, for instance, simply requiring second opinions for virtually all major elective surgery helped Chrysler save $100 million over the last three years—and probably improved the health of patients spared unnecessary operations. A RAND Corporation study published two years ago in the *New England Journal of Medicine* showed that HMOs in Seattle successfully cut hospital use without hurting patients.

But as the Heinz committee found out, competition has created winners and losers. The winners have been the private hospitals, often operated by for-profit chains, that know how to weed out the difficult, expensive cases and the inconvenient, poor patients who aren't covered by insurance. The losers include teaching hospitals, whose medical students and residents increase costs both directly and indirectly—for instance, by ordering tests that, while not medically needed, could add to the trainees' knowledge of a certain illness. More important, the losers often include municipal hospitals supported by tax dollars that end up shouldering the burden of charity care. In Florida, patient dumping has become so bad that the state now taxes private hospitals to help offset the costs of treating the poor.

The Heinz committee concluded that in the scramble to make DRGs work for them financially, hospitals began pushing Medicare patients out as soon as they calculated a patient's treatment had reached the limit of Medicare's new fixed fees. Before switching to the flat-fee approach, Medicare had paid hospitals on the basis of how long a patient stayed. Some hospitals are now turning down patients whose illnesses they conclude would cost more to treat than the government intends to pay under the DRG system. The committee found a 40 percent increase in the number of patients who were sent to nursing homes from hospitals in the year and a half after the new system began, and a 37 percent increase in the number who were sent home needing still more care. One 73-year-old man discharged after a heart attack was sent home to be cared for by his severely retarded son, despite the fact that the man needed several medications that the illiterate son shouldn't have been expected to administer. An 88-year-old diabetic woman who suffered a stroke so severe she could neither speak, feed herself, nor ring for a nurse, was discharged to a nursing home after hospital personnel told her daughter—wrongly—that DRGs limited how long the elderly woman could stay and that her time was up.

Patients sent home were often too ill to appeal, the committee wrote in its final report. It also found fault with the Peer Review Organizations (PRO) set up by the federal Health Care Financing Adminstration (HCFA) which runs Medicare. The PROs are panels of doctors in each state who are supposed to keep an eye out for abuses of the system. The committee concluded the panels inadequately examined the quality of care. It noted that the PROs had no authority to penalize hospitals that kicked patients out too soon. The committee stated: "There are . . . significant indications that these problems are more severe and widespread than current HCFA estimates, based upon the very limited information available from PROs, would indicate."

But beyond the damage DRGs have caused individual patients, there's reason to believe the whole system could eventually backfire. That's because DRGs still pay hospitals only if they admit patients. The result is that except for the PROs, which look at unnecessary admissions only after the fact, hospitals have no incentive to find the most economical way to treat many patients. So, ironically, while they often kick out patients who should remain, hospitals often have to take in patients who shouldn't be admitted.

Hospitals get HEP

There is a better way—one that already works. For the past six years, 16 hospitals in upstate New York have quietly pursued their own program to cut costs with the approval of state and federal officials. They started their program nearly four years before the Medicare DRG program took effect. Hospital costs rose 87 percent across the country from 1980 through 1984 but only 55 percent in the nine hospitals belonging to the Rochester Area Hospitals Corporation (RAHC), one of two consortiums of hospitals taking part in the cost-cutting plan. In a study published in *Health Affairs* in 1984, health care researcher Walter McClure found that Rochester's Medicare expenditures had been consistently below the national average for the previous five years. In 1982 alone, McClure found, the community's Medicare bill was 27 percent lower than the national

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Rochester's hospitals have willingly, even eagerly, trimmed their occupancy rates to below 80 percent. And they did it without turning out hordes of desperately ill patients, and without dumping charity care on municipal hospitals

average, and the lowest of 30 metropolitan areas.

In the past six years, Rochester's hospitals have willingly, even eagerly, trimmed their occupancy rates to below 80 percent. They did so not through cutthroat competition. Instead, they sat down and worked together in an unusual cooperative venture that—despite all the potential for pitfalls—has worked better than the efforts of either the federal government or private enterprise to turn health care into one more arena for economic competition. And they did it without turning out hordes of desperately ill patients, and without dumping charity care on municipal hospitals, as has happened in Florida, Texas, and other states. Yet this system has proven itself as economical as any system now operating in the U.S.

Rochester's example does not provide an easy alternative. It requires hospitals to adhere to tough planning procedures and to be willing to give up a measure of individual power in the medical marketplace. It also demands that business and industry get involved in the community's health care at the most fundamental levels instead of carping from the sidelines about the high cost of health care.

Part of the secret of Rochester's success is the community's long history of health-care planning—a practice that was virtually invented there. "You never let your hospitals get out of control there," McClure says. "The physicians were used to working with a tight hospital system and practiced medicine accordingly." Consider the controversy of four or five years ago, when delays of several months or more were common among patients seeking coronary bypass surgery. Doctors pressured the regulators to certify a third bypass program, but the planners held fast, insisting the need had not been established. The planners won. By mid-1984, the backlog in bypass operations had disappeared and there was no need for an expensive new unit.

That kind of planning set the tone. Six years ago, Rochester hospitals gave up the old "cost-plus" system, under which they had been paid for each patient, and took up one that put the whole hospital system on one budget: the Hospital Experimental Payment (HEP) plan. Instead of paying hospitals for individual patients, Blue Cross, Medicare, and Medicaid paid a fixed sum of money to the RAHC, which doled out revenues to participating facilities each month. Using 1978 hospital costs as the base, the payments were increased for inflation and other varying costs from year to year. For the hospitals, the bottom line is simple: act efficiently, and you'll get to keep the surplus from your payment. Waste money, and you'll eat the loss.

The system would appear to work in principle the same way DRGs do—by putting hospitals on a budget. But there are some essential differences that go to the heart of why the HEP program has succeeded where DRGs have not.

First of all, the system is predictable and flexible. Under HEP, hospital administrators know what they'll be getting each year. By guaranteeing the hospitals revenues, the system has helped them become more efficient—allowing them to empty out hospital beds without losing a lot of money. "Deliberately following a course of action that will allow you to empty beds is an act of bravery," says David Stewart, retired head of the local Blue Cross/Blue Shield plan and one of those in on HEP's early planning.

DRGs, on the other hand, still require hospitals to admit patients in order to get paid. In cities with an oversupply of hospital beds, "DRGs have performed a rather crude brand of surgery," says Stewart. Suppose two patients show up at the emergency room with symptoms of pneumonia. One case is mild, needing just a prescription; the other is severe, demanding a few days in the hospital. Under DRGs, both patients will bring the hospital the same amount of money—but only if admitted. Indeed, the hospital could well make a profit by admitting the mildly ill patient

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and sustain a loss by admitting the severely ill one. While state PROs can penalize hospitals that admit patients needlessly, the Heinz committee found this was not a disincentive. The PROs review patient cases months after hospitalization. This "Monday morning quarterbacking," the committee concluded, "has cost the...PROs credibility."

HEP doesn't force hospitals to factor financial decisions into patient admissions. Payment has nothing to do with whether a given patient is admitted or not, so the hospital has the freedom to treat patients in the best and most efficient way possible. All of the Rochester-area hospitals have programs allowing simple operations to be performed without requiring the patient to spend a night in the hospital, and their volume of such surgery has been steadily increasing. As a result, payments for outpatient visits increased 57 percent from 1980 to 1984, more than twice the rate of increase for inpatient costs.

The system also is more sensitive to the severity of a patient's illness. It's well known that hospital patient make-up can vary tremendously; some hospitals routinely get very mild cases, while others get most of the sicker ones. Not coincidentally, the sicker group usually goes to the more sophisticated teaching hospitals, which are often regional referral centers. It's easy to see how the DRG system could quickly penalize the hospital that sees mostly the severe pneumonia cases, while the private hospitals that get the mild cases quickly profit.

The amount paid each HEP hospital is based on past experience. The lump sum reflects the severity of illnesses that historically have been treated in each facility; the formula used to determine a hospital's payment includes adjustments for the "case-mix" seen. Adjustments are also made for the amount of medical education each hospital provides and how much charity care and bad debt it carries. The HEP system is invisible to Rochester patients, who still get conventional hospital bills that they turn over to Blue Cross. Those bills, however, are simply a bookkeeping tool for the system.

The HEP system would seem to have some of the same incentives as the DRG system to dismiss patients too early. Worried that a hospital might be going over budget, why wouldn't an administrator turn up the pressure to clear out patients as fast as possible? In practice, though, the group planning alleviates that problem. If, for example, a hospital were to have an unexpectedly high number of AIDS patients that threatened to bust its budget, administrators could sit down with officials from other hospitals and work out special dispensation. Under the DRG system, on the other hand, the budgeting is fixed in law.

The HEP system is almost self-policing. In interviews, consumer advocates and groups who work on behalf of the elderly say they have no record in Rochester of the kind of abuses that the Heinz committee has turned up. Hospital officials don't pretend that they or local doctors are any more moral than those in other parts of the country; instead, they say, local hospitals simply scrutinize each other more. Executives from each hospital participating in the plan meet weekly or biweekly through RAHC, which allows them to exchange information but also to keep an eye on each other.

That points to the most fundamental difference between the Rochester system and DRGs. HEP's underlying premise is that hospitals are a collective resource. "There has to be the community will to deal with health care as a community-wide issue in order to have that kind of program work," says Lovinski, the health planning group director. That attitude contrasts sharply with the central assumptions of the DRG system, which pits individual hospitals against each other. "The best part of it is it's being accomplished through what I would call deregulation and putting the system in the hands of the community," says Robert Barnett, director of health economics and systems development at the New York State Health Department. "They recognize that providing the teaching functions and providing bad debt and charity care is a community problem."

Kodacare

That's not to say that there's been no competition in Rochester. In the past five years, the area has seen a phenomenal growth in HMOs that advertise on television. They are signing up patients so quickly that Rochester now has more HMOs per person than most cities. Rochester hospitals have begun advertising for the first time, and each is looking for ways to sell its services that set it apart from the rest. But the hospitals in Rochester compete on the level playing field that HEP creates.

If the whole thing sounds a bit like all the players sit down to carve up the pie, that's true. "But you have to ask, what pie are you carving up?" says Paul Hanson, president of the Genesee Hospital, the community's third largest. "You're carving up an agreed-to, contracted amount. You're not carving up whatever you can go out

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and get."

To some extent, participants agree, the system may slightly favor one hospital: the University of Rochester's Strong Memorial, the system's largest. Administrators at other hospitals say Strong's political clout probably makes this inevitable. Strong is a primary research hospital, the region's designated high-risk care center, and the home base for the University's School of Medicine and Dentistry. That makes Strong an important community resource that needs to be preserved, says Hanson. Yet, he continues, the smallest RAHC hospital, the 75-bed Lakeside Memorial in Brockport, 20 miles west of Rochester, has as many votes on the RAHC board as Strong. "Strong has had to fight as hard as Brockport and Genesee," Hanson insists. "They have had to justify every dime like everybody else."

Last year, all RAHC hospitals agreed to a community-wide cap limiting operating costs and depreciation for new capital expenses to about $4 million—1 percent of the total community hospital costs. It was a logical step given the longstanding practice of Rochester hospitals that predated HEP: sitting down and negotiating with each other about who would build what and who would acquire new technology before presenting those requests to local and state planning agencies, which must approve all such capital expenses.

Plenty of challenges lie ahead. The system has evolved so that hospitals, as they lose patients, have to pay back some of their funds—a move that is certainly fair and reasonable. But planners expect to see the local hospital system shrink within the next five years, cutting as many as 150 to 200 beds from the nine Rochester hospitals alone.

Yet that challenge shows some of the benefits such a cooperative system presents: if the marketplace alone were to decide which hospitals stay open and which close, chances are that the first to go might be those that serve the inner city communities, while facilities serving the middle class might stay open. By keeping hospital administrators at the table—horsetrading, perhaps, but in a quasi-public process—Rochester has a better shot at making sure the right hospitals close and the right ones stay open.

Can other community health care systems, which face an almost anarchic degree of competition, follow Rochester's example?

In some ways, Rochester is unusual. The city has for decades been dominated by a single university medical school and heavily influenced by the policies of a single corporation, Eastman Kodak, by far the city's leading employer. Corporate leaders took a cost-conscious approach and joined hospital boards to wield influence over how health care was delivered.

Many credit one man from Kodak with helping to set the tone for Rochester health care: Marion B. Folsom, secretary of Health, Education and Welfare under President Eisenhower. In 1958, Folsom joined Kodak's board and helped start one of the country's first volunteer planning agencies, one that later evolved into a part of the state's regulatory system.

Walter McClure argues that the planning and cooperative spirit behind HEP only worked because Rochester was under the "baronial" control of Eastman Kodak. He says he's skeptical about whether it can be copied elsewhere, especially if there isn't a home-based employer with Kodak's paternalistic brand of progressive community involvement.

One hospital director, who says he's tried to sell the notion around the country, confides he's practically given up. "They just can't get that first step—cooperation," he says. Dr. Ernest Saward, a nationally recognized expert on health care policy trends and professor emeritus at the University of Rochester, agrees. "Everybody wants to be first, which is an impossibility," he says.

In fact, when Staten Island's five hospitals began taking steps to design a reimbursement experiment like HEP, they foundered, according to Edward Messier, senior associate director of Staten Island Hospital. Messier said that it failed because officials feared that Washington wouldn't approve any more waivers for this kind of innovation, and because of concern over impending changes in New York State's own hospital payment system, which brought in DRGs this past January.

Yet last year, Dr. James Block left his post as RAHC president to become president-elect of Case Western Reserve University Hospitals in Cleveland. The competition he's seen there is more intense than what he's accustomed to, Block says, but he's already talked to business leaders in other Ohio cities who are beginning to pursue a cooperative approach. "In a few years, Rochester will be looked to as a very workable alternative," he predicts.

Messier agrees. "It's much better for everyone to get together to complement each other instead of competing with each other," he says. "We're not talking about manufacturing widgets. We're talking about providing health care for the community." ■

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HIS EXECUTION WAS POOR, BUT EVEN REAGAN CAN'T IGNORE HIS IDEAS

DID CARTER FAIL ON HUMAN RIGHTS?

by Tamar Jacoby

President Reagan knew he had tapped something important this spring when he vowed in the name of human rights to "oppose tyranny in whatever form, whether of the right or the left." Some people were skeptical, of course. They had heard this sort of promise before, and the president's brief remarks about human rights—a few sentences buried in a long statement sent to Congress—seemed designed largely to justify his support for "indigenous resistance" forces in Nicaragua and Afghanistan. Nevertheless, the statement clearly struck a chord. Human rights concerns were suddenly respectable again, without reservation, and the American public seemed to breathe a sigh of relief as the president declared that he was returning to a foreign policy unequivocally in keeping with the country's traditional idealism.

What the president was recognizing, to his credit, was that he had been unable to bury the human rights policy he had inherited from Jimmy Carter. This was not a revelation. President Reagan had learned early on that, like it or not, he could not dispense with the language of morality and humanitarian concern that Carter had used to discuss foreign policy. Under pressure from Congress, the public, and human rights organizations, the Reagan administration had found it necessary to factor human rights into its policy toward Chile, Haiti, and the Philippines—the cases where it boasted of its human rights efforts—and also toward El Salvador, South Africa, Turkey, South Korea, Nicaragua, Poland, and the Soviet Union, among other countries. It had discovered that the American people simply were uncomfortable with unadorned realpolitik—with a foreign policy that did not seem to serve a moral purpose beyond national security.

The president himself clearly required such a purpose, although his was anticommunism rather than human rights. In fact, whatever was said about the Carter policy, neither the right nor the left seemed to have much doubt that we as Americans were—at some level—responsible for the political well-being of other people around the world and that it was the task of our foreign policy to promote that well-being in one way or another. The difference, in early 1986, was that when President Reagan embraced human rights he seemed willing to back up his words with deeds, even in places, like Haiti and the Philippines, ruled by right-wing dictators.

It was a heady moment, an opportunity for Americans to congratulate themselves on both their moral vision and on a measure of political consensus. In the midst of the enthusiasm, no one stopped to ask—or seemed to remember—what went wrong with the Carter human rights policy. No one seemed to recall how politically divisive it had been or how foolishly righteous it had often sounded. President Reagan himself seemed to have forgotten that he had once campaigned against it and that his advisers—particularly Jeane Kirkpatrick—had charged that the Carter policy was detrimental to American interests in places like Nicaragua and Iran. More than that, no one seemed to remember how far Carter had had to back off the idea in the course of his four years in office. No one seemed to recall how little real progress he had achieved or how generally ineffective this failure had made him seem.

Two recent books—one by Gaddis Smith, professor of history at Yale, the other by Joshua Muravchik, a writer and former aide to Senator Henry M. Jackson*—may serve to remind us. The two authors differ considerably in their

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*Morality, Reason, and Power: American Diplomacy in the Carter Years. *Gaddis Smith. Hill and Wang, $17.95.* The Uncertain Crusade: Jimmy Carter and the Dilemmas of Human Rights Policy. *Joshua Muravchik. Hamilton Press, $18.95.*

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judgments of the Carter approach, but both agree that it failed, and both endeavor to lay the foundations for a more successful human rights policy.

The outlines of the Carter policy are not in dispute. The promotion of human rights was part of a larger emphasis on what were seen as moral and humanitarian goals—arms control, nuclear non-proliferation, open diplomacy, reconciliation with past adversaries, avoiding the use of force, and moving beyond the ideological battle with Moscow. It was also a reaction to the realpolitik of Henry Kissinger and, in a somewhat more complicated way, to the American experience in Vietnam. This meant, from the outset, that the president and his advisers defined their human rights policy as a kind of antidote to power politics—as if the two were mutually exclusive and concern about human rights inevitably ran counter to American power in the world. It was an unnecessary and oversimplified opposition that eventually spelled disaster for the Carter human rights campaign.

That initiative began with some flourish, in a string of pronouncements, during the campaign and the first months of the presidency, affirming Carter's "absolute" commitment to human rights. The new president moved quickly to make good on that commitment, with both symbolic gestures and more substantive steps. The human rights bureau of the State Department was considerably strengthened, and its chief, Patricia Derian, given the rank of assistant secretary. Secretary of State Cyrus Vance, Deputy Secretary Warren Christopher, United Nations Ambassador Andrew Young, and Assistant Secretary Derian were dispatched around the country and the world to promote human rights in speeches and diplomatic conversations. Vance and Derian met with leaders of human rights organizations in several countries, and a number of former political prisoners were received in Washington.

Within months, the president had signed three international human rights accords—the hemispheric American Convention on Human Rights and two United Nations covenants, one on civil and political rights, the other on economic and cultural rights—that had been languishing for years without U.S. approval. The administration also began to scrutinize, and block, economic and military aid to friendly governments with bad human rights records. U.S. representatives to international financial institutions were instructed to vote against loans to offending countries. An Inter-Agency Group on Human Rights and Foreign Assistance was set up to coordinate human rights concerns and American economic policies; a similar group reviewed military and security assistance, and there was a sharp decline, in the first two years of the administration, in military exports.

There were, however, signs of trouble from the start. Carter came into office with a deep sense of moral purpose but without much idea of how foreign policy worked, and human rights were the first victim of his inexperience. It became clear very early that he had not given much thought to how a human rights policy would square with the country's other interests, whether strategic or humanitarian. There was particular confusion about how it would be reconciled with his broader intention of improving relations with the Soviet Union. Moscow made clear almost immediately that it did not like being scolded by the American president and that it felt his contacts with Soviet dissidents like Andrei Sakharov cast a pall over arms control talks. Carter seemed startled and quickly backed off, allowing his desire to get along with Moscow to triumph over human rights.

Just the opposite happened in East Asia, where the White House soon saw the need to contain the Soviet Union and as a result turned something of a blind eye to human rights abuses in South Korea, Indonesia, the Philippines, Cambodia, and China. The attitude toward the Philippines was fairly typical. President Ferdinand Marcos kept the country under martial law—there were no free elections, little freedom of speech or press, and a large number of political prisoners—but his friendship was considered indispensable if America was to maintain control of its military bases at Clark Field and Subic Bay. As a result, Washington's occasional comments about Marcos's neglect of human rights were invariably followed by talk of his country's strategic importance, and there were no cuts in American assistance. Indeed, in 1979, the White House signed an agreement promising Marcos $500 million, much of it in the form of modern weapons, for five more years of access to the bases.

It was for much the same reason that Carter went out of his way to praise the human rights performance of Yugoslavia, Romania, and Poland—three countries where he thought he could encourage some measure of independence from Moscow. Thus, in both Asia and Eastern Europe, human rights fell victim to the administration's perception that it had to decide between humanitarian and geopolitical concerns.

In yet other parts of the world, the administra-

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tion saw human rights concerns conflicting with other humanitarian purposes—and human rights invariably were sacrificed. The White House downplayed significant abuses in both Vietnam and Cuba, former adversaries with whom Carter hoped to build better relations. Thus, instead of protesting about political prisoners or press censorship, the administration held negotiations with both countries about the possibility of resuming diplomatic ties. The White House also urged Congress to go easy on a number of nations in black Africa—including Uganda, which had one of the worst human rights records in the world—where Carter hoped to make new friends and demonstrate American sympathy for the principle of majority rule.

In the end, Latin America was just about the only place where it seemed possible to pursue human rights without significant cost. It was there that Carter made his greatest effort, loudly chiding dictators and cutting military aid—and there, too, that he probably had the greatest success. United States leverage was more significant in Latin America than anywhere else in the world; the president did not hesitate to make his feelings known to the generally poor and powerless nations of the region. Military governments throughout the hemisphere were offended by his remarks and the descriptions of their countries in the State Department's annual Country Reports on Human Rights Practices, but their only recourse—to decline U. S. military aid—hurt them far more than it hurt us. Argentina, El Salvador, Guatemala, Uruguay, and Brazil all rejected aid at one time or another, and in several cases the administration added to the burden by blocking badly needed international loans.

The results were hard to measure, for in most cases they had less to do with concrete changes than with a new regard for the idea of human rights. But the long-term effect of the Carter policy has been significant, encouraging the people of Latin America to demand their political rights, while reminding the ruling generals that the world was watching them. Some former political prisoners, including Argentine writer and editor Jacobo Timmerman, attribute their release to Carter. Still other Latin Americans attribute the recent spread of democracy in the hemisphere—since 1976, ten Latin American countries have held their first free elections in years—to seeds planted during the Carter administration. Whatever else he did, however much he hesitated and backed down, Carter had established the principle that governments throughout the hemisphere, and the world, were internationally accountable for the way they treated their own citizens.

But even in Latin America, the president eventually backed off when strategic threats—there and elsewhere in the world—began to sap his energy and idealism. The effect was often rather unseemly—awkward vacillation or unabashed retreat—and in several cases the consequences were disastrous. The last year of the Carter administration brought renewed aid for the Salvadoran military and much diminished criticism of the Argentine junta, followed by a desperate effort to befriend the military dictator of Pakistan—all three justified on grounds of anticommunism and the need to contain Soviet adventurism. The spectacle was particularly embarrassing in Pakistan, where President Mohammed Zia ul-Haq had the gall to turn down Carter's offer of $400 million in military aid. Unlike the small countries of Latin America, Pakistan seemed by then—in the wake of the Iranian revolution and the Soviet intervention in Afghanistan—strategically crucial to the United States, and Washington virtually begged Islamabad to take our money and our weapons, to no avail.

In both Iran and Nicaragua, the president wavered indecisively. In Iran, there was some quiet criticism of the Shah's human rights record but then extravagant praise and loud public support for his continued leadership. Nor, until the very end, did Carter refuse to sell the Shah whatever he asked for in the way of military aid—the exception was tear gas and riot control equipment. In the Nicaraguan case, the president was much more critical of the dictator, Anastasio Somoza, and in 1978, when Somoza refused to hold elections, Washington took a number of punitive steps, terminating military assistance, cutting back on economic aid and reducing the number of officials in the U.S. embassy in Managua. Nevertheless, as the revolution neared, the White House drew back in fear, refusing to cut aid to Somoza's national guard and even lobbying for renewed multilateral assistance. Clearly, by the time they were overthrown, Carter was ambivalent about both dictators, and it is probably impossible to judge the extent of U.S. responsibility for either revolution. In the end, his administration was blamed for "losing" both countries.

Why did the Carter human rights policy go so wrong? Together Smith and Muravchik put forward most of the criticisms leveled by the right and the left since Carter first began to talk about human rights. In essence, there were three: that Carter's human rights policy was not ideological enough, that it was poorly executed, and that it was unrealistically ambitious.

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Muravchik's charges come largely from the right. Like Smith, he is troubled by the president's ineptness, but his major criticism is that Carter failed to see or use human rights as a weapon against communism. He gives several reasons why. First, by focusing primarily on the fundamental rights associated with what Muravchik calls the "integrity of the person"—the right not to be killed, tortured, or imprisoned at will—Carter is said to have neglected the political rights that are most important to Americans and essential for a democratic way of life.

Second, Muravchik contends Carter relied too heavily on punitive measures. As a result, Carter tilted toward attacking right-wing "authoritarian" allies rather than "totalitarian" adversaries—countries against which the U.S. cannot or dares not apply too much punitive muscle. Finally, by focusing on such allies, he is said to have undermined American interests in the world and sown confusion about the very meaning of human rights—about who most abuses them and why they matter in the first place.

These are serious charges that have to be answered before we can make any effort to formulate a more effective human rights policy. There should be no question that democratic values are a central part of what America means by human rights, and that the U.S. must not hesitate to criticize either communist abuses of human rights or the hypocritical concern for humanitarian values that dominates official rhetoric in both the third world and the Eastern bloc. Those who faulted Carter on these counts have some grounds for complaint.

Nevertheless, an American human rights policy devoted largely to ideological crusading cannot hope for much success. Carter had some experience with crusading—albeit not an ideological crusade—and the failure of his shrill, righteous approach should be an ample lesson. Besides, no human rights initiative that seems merely to serve a narrow American agenda can hope to have the moral authority to produce changes anywhere except in countries ruled by our most obedient clients. To be credible, a human rights policy must be as consistent as possible and truly evenhanded—difficult as that may be, given that U.S. leverage on foreign countries varies widely. Any other sort of policy will surely seem cynical—as if America is merely using human rights to gain tactical advantage in a struggle that is really about power.

In this sense, there may be something to the argument that an exclusively punitive human rights policy may do more harm than good. An American human rights policy will not be effective unless it has some teeth—probably a range of options, including quiet diplomacy, public pressure, withholding of aid, and other economic sanctions. But punitive measures, even more than scolding, are likely to make other governments only more resistant to change. And a successful policy will have as much to do with holding up a universal standard as imposing punishment—punishment that is inevitably brought down on some offending countries and not others.

This is where Muravchik and other conservatives make a crucial mistake. Instead of advocating a universal standard, they argue that human rights should be an essentially American yardstick applied to the rest of the world. To his credit, Jimmy Carter seemed to understand the pitfalls of this approach—his goal was, after all, the "promoting of basic global standards"—and he rarely tried to use human rights as a tool of power politics. Our human rights policy should be an effort to advance an absolute good, not to bring other countries into our camp. If it happens to have that effect—and no doubt it will—that's fine. But that ought not to be the purpose or the method of our policy.

Does this mean that an assertive human rights policy is necessarily incompatible with America's other interests in the world? Smith thinks so. He sees the Carter debacle as yet another chapter in the old story of American messianism—a familiar and predictable consequence of our preference for a high-minded foreign policy that is too good for this world.

It is a discouraging interpretation, and one that offers little hope for a more successful human rights policy. But was Carter merely a misguided idealist? And is American support for human rights in fact nothing but a fanciful dream—an honorable moral crusade that can help Americans feel good about themselves but do little in the end to change other people's lives? Not necessarily, for one need not assume, as Carter did, that there can be no relation between humanitarianism and strategic purposes.

Carter was determined from the outset to move beyond traditional power politics; he hoped that moral principle, world order, and international collaboration could replace confrontation and military force as the staples of foreign policy. It was almost as if he thought he could dispense with national interest in the name of larger moral and humanitarian ends. Needless to say, the world turned out to be a much rougher place than he expected, and in case after case—the Philippines, South Korea, Pakistan, and Poland, among

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others—he abandoned the pursuit of human rights as soon as the going got tough. He seems to have felt that he had to choose between toughness and idealism—and when he chose, it was all or nothing. The irony is that he chose too late and ended up looking at once naive and weak.

Many of Carter's critics, particularly on the right, seemed to agree with his stark analysis. Jeane Kirkpatrick led the charge, arguing that his human rights policy had undermined American interests in Nicaragua by bringing down the Somoza dictatorship. Americans were urged to close their eyes to the depredations of "friendly dictators"—or risk much greater abuses of freedom at the hands of Moscow and its clients. It was a grim choice indeed—as if, in the short term and the Third World, at least, Americans had to choose between their interests and their values.

It took Ronald Reagan, of all people, to put this view to rest. In Haiti, Chile, and the Philippines, he seems to have discovered that it serves American interests to support democracy and human rights even when this pits us against a "friendly" dictator under attack from the left. In all three cases, to be sure, the president acted with great hesitation, and only after considerable pressure from Congress and the human rights community. Nor, in any of the three countries, did the administration move until it perceived that the dictator we had been supporting was not likely to last very long. The president's reasoning may have been more practical than idealistic; it doesn't really matter. In all three cases, the White House eventually concluded that it no longer served our interests to back the faltering tyrant.

In these three cases at least, President Reagan and his advisers seemed to have grasped the argument, first put forward under the Carter administration, that America ought to be "on the side of change"—that by backing moderate political forces trying to oust a Third-World dictator, we could preempt the Soviet Union from playing a significant role in either the revolution or the future of the country at hand. The Carter administration did not have much success with this doctrine: it was used on occasion to justify the administration's actions in Nicaragua and Iran, but, in fact, in both cases the White House wavered uncertainly between the dictator and the side of change, and both revolutions eventually got out of hand. The Reagan administration may have been luckier—or more deft. But whatever the reason, in Haiti, Chile, and the Philippines, it has not yet had to choose between America's interests and its political values.

Both Muravchik and Smith conclude that the Carter human rights policy was a failure—and, to a degree, they are right. Carter found that he had to back off the policy in country after country, and the concrete results of his efforts were slim indeed. Saddest of all, by the time he was voted out of office, the idea of human rights seemed to have gotten a bad name. His approach was perceived by all as righteous and ineffectual—to the point that many liberals as well as conservatives had begun to have doubts about just how aggressively America ought to try to promote humanitarian values in the Third World.

Under pressure from Congress and others, Ronald Reagan has begun to erase those doubts, strengthening and perhaps even redeeming the policy he inherited from Carter. Reagan deserves some credit for skillful execution, and Carter surely deserves some blame for his ineptness, but in the end it is Jimmy Carter who must be credited with the idea. Carter did not invent human rights—indeed, his policy would have had little teeth without the body of human rights legislation passed by Congress in the mid-1970s—or American messianism. But whatever mistakes he made in office, Carter's idea was just about right—a minimal and universal standard, consistently applied, that would put America on the side of decency and humanitarian values around the world. He sensed that it could make America strong to stand for something in the world. What he couldn't seem to grasp was how to make this work for him.

Why did Carter's commitment to human rights make him look so weak? And why did he have to abandon it in favor of strategic interests? In part, at least, because he aimed too high—and failed to grasp that it was possible to be just a little bit moralistic. If this is true, his failure should teach us something—should protect his successors and the American public from our own extravagant hopes about transforming the world in our own image. According to one estimate, only one-third of mankind lives under governments committed to individual rights, and only one-quarter lives in countries capable of providing the economic minimums often considered to be a human right. It is hardly an encouraging prospect—but there could be almost nothing worse, for either American credibility or the people we hope to help, than claiming to have more power than we do to improve upon it. Carter himself had some trouble finding a middle ground between extravagant idealism and peevish despair. It would be a shame to repeat the mistake. ■

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POLITICAL BOOKNOTES

People's Army of Vietnam. Douglas Pike. *Presido, $22.50.* It is the enduring question of the Vietnam war: How did a poor, undeveloped nation of peasants manage to defeat the state-of-the-art armed forces of the most powerful country in the world?

With the same political solipsism that got us into Vietnam in the first place, we Americans have sought the answer in our own mistakes and failures, from which we attempt to draw "lessons" so that we avoid such embarrassment again.

Now comes Douglas Pike to remind us that wars are not only lost, they are won. And the Vietnam war was won by an extraordinary creation, the People's Army of Vietnam (PAVN). Pike lists its achievements in what one hopes he considers a descending order of importance: "It frustrated three of the most powerful nations on earth, confused the world press, and confounded academia."

At the core of the communist army's victory was "a messianic leadership of extraordinary insight acting as a catalyst on a singular, centuries-old, martial spirit." According to Pike, Ho Chi Minh and his military aide, Vo Nguyen Giap, created their army in 1944 with 34 men and women and "the theoretical base for a new kind of warfare conducted by a new kind of revolutionary force."

There were two key concepts: that of the *dau tranh*, or struggle; and that of the *thoi co*, or opportune moment. *Dau tranh* meant a total commitment to a single, transcendent end—the liberation and unification of Vietnam; *thoi co* meant that the end would be gained by whatever means were appropriate at a given moment.

World War II had brought civilians into warfare. Ho and Giap abolished the idea of a civilian entirely. In their *dau tranh* everyone would fight: men, women, children, with sticks, slogans, knives, propaganda, whatever worked. The army itself, their movement's most valuable possession, would be engaged sparingly, and only when it would almost surely win.

In their vision of protracted war, there was no such thing as defeat; there was only setback. The *thoi co* would come again; perhaps next time another tactic would work. Pike calls it a "50-year strategy." It meant that for the Americans in Vietnam to lose militarily was to lose the war, but to win militarily was not to win it. Against the Vietnamese strategy, Pike writes, "there is no *proven* counterstrategy."

Having spent considerable time in Vietnam recently, I find myself wondering not how the communists won the war, but how they fought at all. A more backward, bureaucratic, and inefficient society is difficult to imagine. Nothing works, nothing ever gets done, no one ever knows anything, no one is ever responsible. How did they do it?

The good news is that Douglas Pike knows the answer, and the bad news is that in large part the answer was the bureaucracy. The communist victory was a triumph of organization: "The essence of PAVN's success in South Vietnam was organization, in the face of a sort of nonorganization on the part of the South Vietnamese government and society."

The irony is that the revolutionary PAVN is today transformed in Cambodia into a static, orthodox army using mobility and firepower against a stubborn insurgency. Rather than having contempt for the American tactics they defeated, they have rushed to employ those tactics themselves. There is even a highly publicized policy of "Khmerization," of turning the war over to their Cambodian allies. It's not working, of course, precisely because the Cambodian resistance is using *dau tranh* against the army that invented it.

The Vietnamese are being taught the lessons they taught us: that foreign troops cannot build a nation and, as Pike says, "It is nearly impossible to force guerrillas to stand and fight when they do not want to."

Pike today is the editor of the invaluable *Indochina Chronology* at Berkeley. He arrived in Vietnam in 1960. "The Viet Cong was formed the month I arrived," he writes, "and we grew up together." He left the country for only a few months at a time over the next 15 years. His earlier book, *Viet Cong*, was the standard work on the subject. And his research after the Tet Offensive of 1968, although challenged by some radical historians, uncovered the communist atrocities in Hue.

Only on rare occasions does he seem to lose his touch. The level of resistance against the government within Vietnam is far less than he implies, if my own experience there recently is any guide. And Pike's suggestion that the long tension between the military and the Communist Party might lead to a military coup seems farfetched.

Also, Pike says that the propaganda blitz about the Vietnamese troops coming home from Cambodia in 1983 convinced the country that the war there was winding down. That is simply false. News has always traveled in Vietnam by word of mouth, and wherever I went in Vietnam in 1984, from the cities to the remotest mountain villages, Cambodia was on everyone's mind.

These irritations, however, are minor in a book of such insight and impressive research. Pike's subject is the remarkable army of Vietnam, but what he tells us about the use of force in politics, the nature of organizations, and the limits of both technology and ideology is of far wider importance.

—*William Broyles Jr.*

Marketing in an Electronic Age. Robert Buzzell, ed. *Harvard Business School Press, $32.95. High Technology* editor Bob Haavind delivered a scathing editorial blast earlier this year. American firms, he said, are throwing away their major advantage, that of being domestic enterprises, closer than any foreign firm to the customer and the $4 trillion economy. Haavind may have sounded the alarm too late. Foreign firms increasingly are

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making use of sophisticated technologies to tap the U.S. markets. An article in a recent *Business Week* chronicled the approach of Custom Vetement Associates, the New York subsidiary of the French clothing maker, Vestra. Local U.S. retailers such as Saks Fifth Avenue, it said, have been given "terminals made for the French national Videotex system. These link retailers with the main manufacturing operation in Strasbourg. Tailors take key measurements from customers and plug them into a terminal. Every night the data are sent to a central computer in New York and beamed via satellite to France. In the morning, after nine inspectors look at different pieces of data, a computer-controlled laser cutter selects the appropriate material and cuts the garment. The staff of tailors does the finishing touches, and the suit is shipped within four days."

Such seemingly Buck Rogers electronics and telecommunications links have arrived. The effects of the technology revolution on marketing, selling, distribution, and servicing may be more profound than the highly touted changes in the factory. Long-time Harvard Business School marketing professor Robert Buzzell provides a useful guide to the coming—or arrived—revolution in this collection of articles stemming from a Harvard Business School seventy-fifth anniversary symposium.

Topics range from an examination of pioneering distribution companies such as American Hospital Supply and McKesson Drug to an assessment of media fragmentation and its effect on advertising and marketing decision-making.

Changes in distribution are occurring at an extraordinary pace, altering the traditional way of doing business in every industry. The new buzz term is EDI, for electronic data interchange. EDI provides, say authors Louis Stern and Patrick Kaufmann: "(1) reduced order lead time; (2) higher service levels; (3) fewer out-of-stock situations; (4) improved communications about deals, promotions, price changes, and product availability; (5) lower inventory costs; (6) better accuracy in ordering, shipping, and receiving; and (7) a reduction in labor costs." Quite a list!

There's not a touch of futurism here. McKesson Drug is a prime case in point. The firm is linked electronically to both its suppliers and customers. The linkage has resulted in a revolutionary array of advantages for both parties. The pharmacist-customer typically reduces the ratio of inventory to sales, thus radically reducing McKesson's inventory and the attendant carrying charges. Service has not deteriorated as a result of a much lower inventory; it has improved.

McKesson itself has experienced even greater benefits. It has been able to reduce the number of its distribution centers from 92 to 56, with no service deterioration. It cut back telephone clerks by 250 (most customers, even small enterprises, have a direct order entry terminal) and reduced the number of buyers, who now use electronic links with suppliers, from 160 to 13.

In addition, McKesson offers its customers a number of so-called "value-added services"—software programs such as "Econoprice," which provide the retail pharmacist with instantly updated pricing labels, and "Econoclaim," which speeds third-party health insurance claim processing.

The book chronicles two other effects of the new technology. Cable television's growing intrusion has cut the network share of viewing time from 90 percent in 1970 to 68 percent in 1985. "Fragmentation" and "de-massification" of media is the fast-arriving wave of the future. Companies and their advertisers will be able to—and will be forced to—target their product appeals in a much more selective fashion.

Even product design will be affected profoundly. If, and it looks increasingly likely, two-way cable becomes a big factor in marketing, the market research will take on a whole new look. Ongoing "conversations" with consumers to assess potential new products will be standard fare. Already, a firm's product development team can instantaneously amass finely tuned data at an unheard of pace and then adjust test markets and ad campaigns virtually overnight.

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What does it mean? One of Buzzell's experts, Michael Ray of Stanford University, predicts greater "consumer sovereignty." All selling, including media selling, he says, will become personal, tailored selling; moreover, consumer choice will dramatically increase. Ray is a lonely voice in this thick volume. The rest of the book reads like a primer on increased opportunities for consumer manipulation. Orwell's footfall, only a couple of years later than he projected, is getting louder daily.

The book should be of interest to two disparate audiences. On the one hand, business people who have been slow to exploit the new technology and associated linkups in their marketing and distribution programs and are (1) slipping hopelessly behind aggressive domestic competitors and (2) losing their primary domestic, home-court advantage vis-a-vis foreign competitors. On the other hand, the non-business reader is provided a rare opportunity to peek at the businessperson's perspective on the long-predicted, finally arriving, thoroughly linked-up electronic age.

—Thomas J. Peters

When All You've Ever Wanted Isn't Enough. Harold Kushner. *Summit Books, $16.95.* Jungian therapist Peter O'Connor has written that today interest in Carl Jung is outstripping interest in Sigmund Freud because the sexual revolution, in which Freud was the central figure, has passed. It has been replaced by the search for meaning—Jung's central preoccupation. The latest meaning-made-easy manual is Harold Kushner's *When All You've Ever Wanted Isn't Enough*, the follow-up to his *When Bad Things Happen to Good People*. Kushner says he was influenced to write this book after reading the work of Jung. "Our souls are not hungry for fame, comfort, wealth or power. . ." Kushner writes. "Our souls are hungry for meaning."

Unfortunately, Kushner's book suffers from the same syndrome as the outwardly successful, inwardly empty lives he is addressing. Instead of coming from a deep need to share his insights, this book feels as if it comes from a deep need for the author to again appear on the best seller list (a need which has been fulfilled). *When All You've Ever Wanted Isn't Enough* covers all the right ground: Ecclesiastes to Buber, Jean Piaget to Gail Sheehy. The book is reasonable, rational, unhectoring. But it never conveys any passion about how life should be lived, never goes beyond the superficial.

I suppose one can be grateful Kushner did not write *How to Have a Meaningful Life in 30 Days*. And one can't expect in this 190 pages all the answers to why we were born. But Kushner seems almost perversely set on not offering inspiration. This book would have been vastly more engaging had it given examples of people who examined their lives, found them wanting and changed them for the better. Kushner rightly believes there is no simple formula for finding meaning. But when it comes time to provide guidance, platitudes are all he offers. Yes, it's worth it to be reminded to give and receive love, to help bring along someone younger, to enjoy sunsets, good meals, the changing seasons—but isn't that why Hallmark cards were invented?

Kushner also takes a high moral tone regarding success, as if success is synonymous with a consuming pursuit of money. Why does he define success so narrowly? Why does success necessarily mean diminution of the soul, a disregard for loved ones? Doesn't striving mightily to master something that engages one's imagination—and being rewarded for it—give meaning to life?

Two last quibbles. In Kushner's world, with few exceptions, males are businessmen (therefore unfulfilled), and women are housewives (therefore unfulfilled). And two, he ends the book by explaining that what makes us human is our need to be good, and that this is a gift from God. As an example of the depth of our desire to be good he writes: "Even Hitler's SS troops needed periodic 'sermons' to make sure their instinct for compassion didn't interfere with their work." It's bad enough when Ronald Reagan delivers speeches on the theme "Nazis were nice guys, too." But Harold Kushner is a rabbi.

—Emily Yoffe

Jesse Jackson and the Politics of Race. Thomas Landess, Richard Quinn. *Jameson, $17.95.* Jesse Jackson was standing in the courtyard of the Lorraine Motel in Memphis, Tennessee at the moment Martin Luther King Jr. was felled by an assassin's bullet on the balcony upstairs. The next day Jackson stood before television cameras in Chicago, invoking King's name and wearing a shirt that he said was stained by the martyr's blood. But according to most independent accounts, Jackson was nowhere nearby when King died in the arms of his colleague, Ralph Abernathy. Witnesses say that the bloody shirt must have been a fraud.

Thomas Landess and Richard Quinn choose this sickening story to begin their account, since it embodies for them the central themes of Jackson's ensuing career: opportunism, demagoguery, and prevarication. What follows is not so much a biography as a 250-page indictment, drawing upon every charge that any critic has ever leveled against Jackson. Most of the allegations are well-supported, but the authors fail to transcend their laundry-list approach by placing Jackson in historical context or offering a convincing interpretation of his character. Halfway through the book Landess and Quinn tell us that Jackson is half the son of Martin Luther King Jr. and half the son of Elijah Muhammed, which makes him a "blood brother" to Louis Farrakhan. After this superficial character analysis, which they spend only a few paragraphs on, it's back to the compendium of crimes—from Jackson's antisemitism to the corruption at Operation PUSH.

In their attempt to prove Jackson's absolute depredation, Landess and Quinn betray their own racial insensitivity. Farrakahn, they tell us, is "the figure standing at the end of a dark alley, waiting to see if white America makes a wrong turn. He will try the doors

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of our houses to see if we have forgotten to turn the key in the lock." In another purple passage they remind us that "young black America walks the streets with ears pressed against a jambox so big and heavy most whites couldn't even lift it." Their racial stereotyping is both offensive and completely irrelevant to their topic.

It's a shame, because Jesse Jackson's career deserves closer scrutiny as he begins his second stab at the presidency. Although *Jesse Jackson and the Politics of Race* is full of damning tales, it's a sloppy expose that can't command enough authority to make its judgment of Jackson stick.

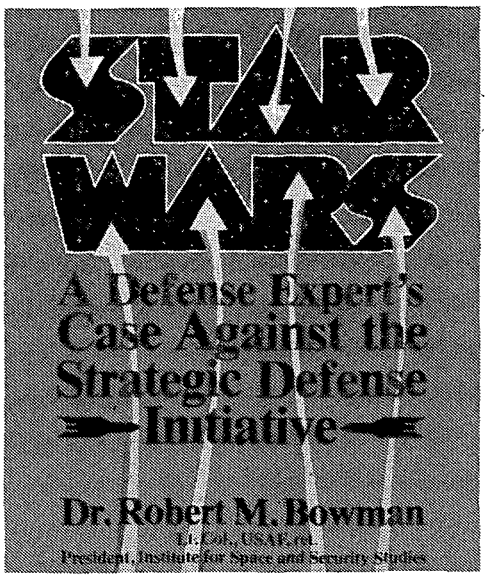
—*Jacob Weisberg*

Manhunt. Peter Maas. *Random House, $18.95.* The story of Edwin P. Wilson, the CIA agent who grew rich selling arms to Libya, is fast becoming a much-told tale, in part because he is one of the few real life people who conform to Hollywood notions of the "typical" CIA operative. Peter Maas, author of *Serpico* and *The Valachi Papers*, takes up the subject Seymour Hersh, Bob Woodward, Steve Kurkjian and Ben Bradlee Jr. of the *Boston Globe*, and many other reporters have taken up before. Besides spinning a clear and readable narrative of the case, Maas contributes new evidence that the CIA knew exactly what Wilson was up to all along and did nothing.

One day in the mid-1970s Wilson and his partners were shipping Qaddafi 42,000 pounds of plastic explosives—"[Wilson crony Jerry] Brower was about to command almost every pound of C4 that was commercially available in the United Staes, and nobody had noticed it." Then they sent 500,000 miniature detonators for letter bombs—"even Wilson was stunned by the number." Then handguns and M16 rifles for the next day. Eventually these slime helped Libyan military men arrange for the murders of anti-Qaddafi dissidents. All the while Wilson was living in a multimillion-dollar estate at the center of Virginia's fashionable horse country, ostensibly on his civil servant's salary.

Far from concealing his luxury, Wilson advertised it, frequently inviting high-ranking CIA officials to his estate. None seemed to suspect a thing, the same way Washington Mayor Marion Barry had a deputy mayor, a wife, and several other prominent members of his administration driving Mercedes Benzes and otherwise living lives far beyond their means without his ever suspecting the teeniest, tiniest little thing before they were hauled into court. Washington is a city of denied realities, and reality-denying mechanisms kept the CIA from moving against Wilson and also helped the FBI and the Justice Department bungle the case, until a determined prosecutor named Larry Barcella finally seized on a technicality to start Wilson's downfall. The CIA also decided it was better to let Wilson keep going than to damage the careers of those officers who had failed to stop him earlier.

STAR WARS EXPOSED



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CIA officials weren't the only ones who had the evidence of Wilson's crimes repeatedly waved in their faces. Hubert Humphrey was an occasional guest at Mount Airy, the Wilson mansion. Senators Strom Thurmond and John Stennis, Rep. John Dingell, and others came, too. But, Maas writes, Wilson clearly understood his real targets. "The people Wilson most wanted to charm and seduce were Capitol Hill aides, anonymous generals and admirals, civil service employees at the highest government grades, GS-17s and GS-18s. These were the people who made the Washington world turn. No one was more important to him than a GS-18."

When Stansfield Turner became head of the CIA, he got wind of Wilson's activities through a Bob Woodward story. Maas notes, "The Libyans didn't apppear to be disturbed at all by Woodward's disclosure about Wilson's agency background. They found it amusing, as if the joke were on Washington." Turner ordered that some agents who had profited from transactions with the traitor be fired. He encountered "a solid wall of opposition, from his top deputy...[to] the chief of clandestine operations...[to] the CIA inspector general." Every possible foot was dragged. Eventually Turner found the guilty parties and his "purge" of suspicious CIA operatives, a subject of so many tirades by conservative intellectuals, began. But judging from the account of CIA behavior in *Manhunt*, the only mistake Turner made was not firing even more of these flatheads.

Wilson, Maas shows, had among his friends in high places none other than Robert Keith Gray, the allegedly "Republican" PR whiz. Gray repeatedly denied to Maas that he and Wilson were anything other than "elevator buddies," who bumped into each other now and then because they worked in the same building. Confronted with evidence that he and Wilson had taken a two-week trip to Taiwan together in 1969, Gray suddenly remembered he was late for another appointment. Maas says he found papers showing Gray expressing "unlimited trust" in Wilson for a 1963 security background check, and again in 1975, recommending Wilson for a "position of trust."

In places Maas indulges in journalese-style hype—he refers, for example, to the "chic Georgetown Club," which sounds chic, but Washingtonians will recognize as low rent.

Manhunt, though not always news, is a fine work against which readers will have only minor complaints. As in many similar books, Maas's main source, Barcella, comes off sounding like a cross between Sir Galahad and Spiderman. In this case, adoration of a source should be forgiven, however, as Barcella truly does sound deserving of high praise—the one person in official Washington who just couldn't stand the thought of letting Wilson go free.

—*Gregg Easterbrook*

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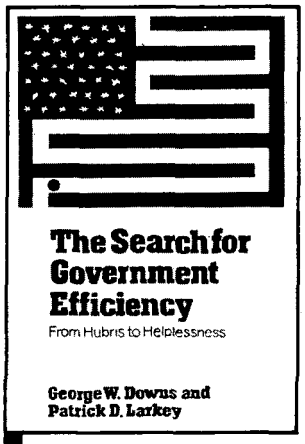

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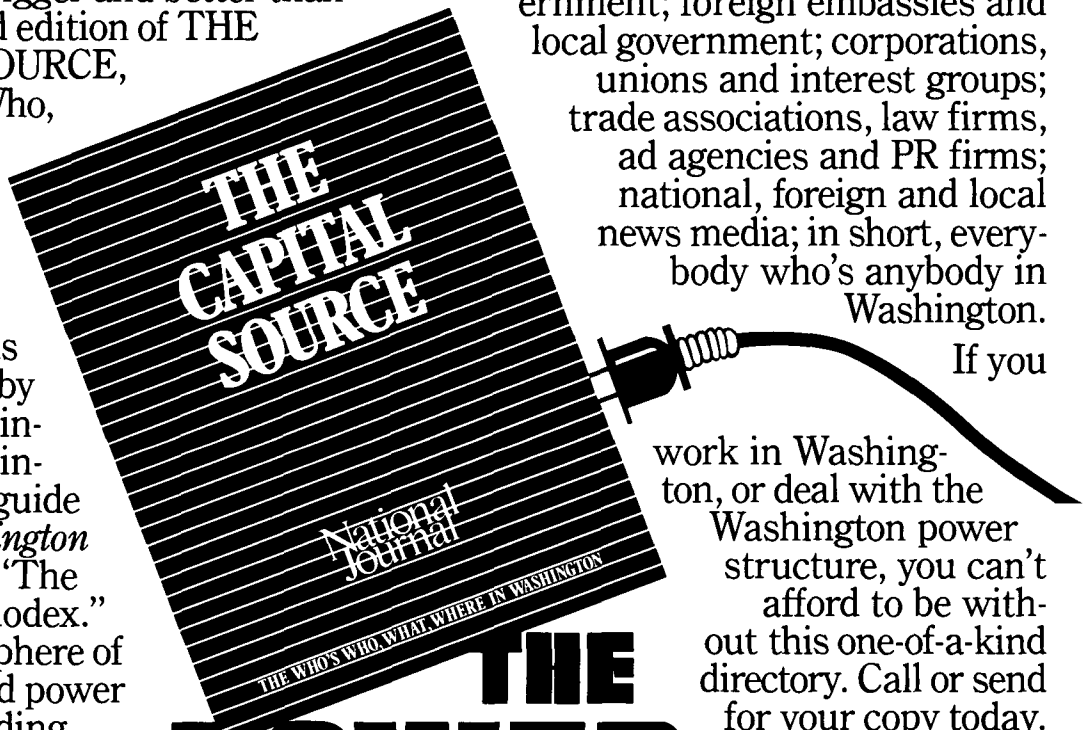

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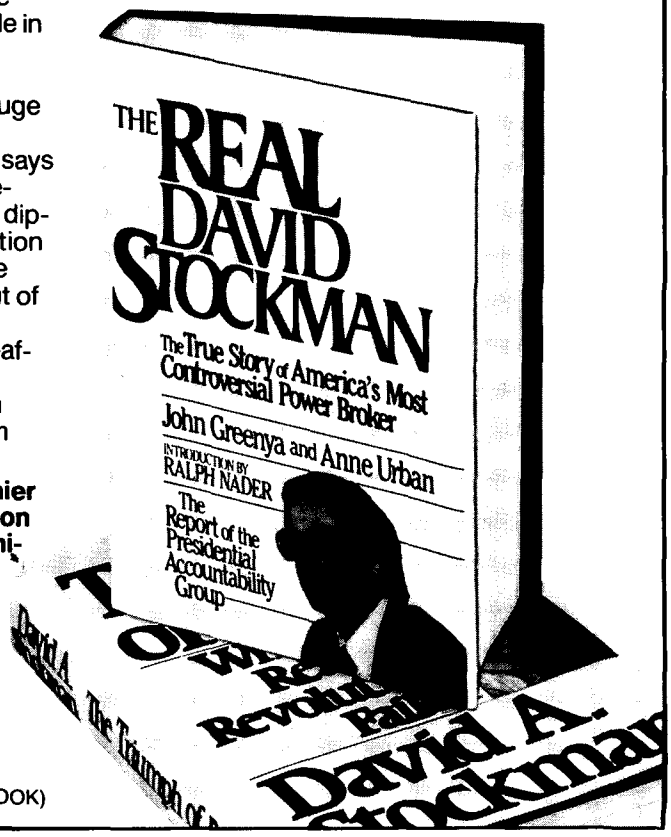

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